

7 0856-B-03 PREX 7.10. FBIS-EAS-92-127
45-46/46/46
(A) RS



Daily Report

East Asia

FBIS-EAS-92-127
Wednesday
1 July 1992

JB 99-015345

JL: 1-3; 24^{RS}-39; 46^{RS}, 47

COMPLETED

Daily Report

East Asia

FBIS-EAS-92-127

CONTENTS

1 July 1992

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Regional Meeting on Spratlys Dispute Continues	1
Delegates Agree on Development Cooperation [ANTARA]	1
Delegates Question PRC Law [ANTARA]	1
More Comments on PRC Law [AFP]	2
South China Sea Level Said Rising [KYODO]	2
Idea for Spratlys Demilitarized Zone 'Idealistic' [ANTARA]	3
Japan To Support ASEAN Interests at GATT [ANTARA]	3

NORTHEAST ASIA

Japan

Miyazawa, Baker Discuss Northern Territories [KYODO]	4
Reaction to U.S. Steel Dumping Charges Reported	4
Tokyo, Industry React 'Calmly' [KYODO]	4
'Unwarranted' Actions Decried [KYODO]	5
Kozo Watanabe Expresses Regrets [KYODO]	5
'No PCB's' in 3 Transformers at U.S. Bases [OKINAWA TIMES 1 Jul]	5
Miyazawa Decides on Tokyo for Next G-7 Summit [Tokyo TV]	5
LDP Briefed on PRC View of Emperor's Visit [KYODO]	6
Trade Imbalance Plan Agreed on With ROK 1 Jul [KYODO]	6
ROK Releases Detained Fishing Boat Crews [KYODO]	7
Russia Considers Foreign Money Pool for Imports [KYODO]	7
Tokyo Offers Philippines 25.3 Billion-Yen Loan [KYODO]	7
LDP Approves Foreign Trainees Draft Proposal [KYODO]	7
Executives Propose To Accept Foreign Trainees [KYODO]	8
Nikko Securities To Accept Vietnamese Trainees [KYODO]	8
Peacekeeping Fact-Finders Depart for Cambodia [KYODO]	8
Communist Party on SDF Dispatch to Cambodia [KYODO]	9
Lower House Speaker Rejects Mass Resignations [KYODO]	9
Formally Relays Decision 30 Jun [KYODO]	9
Peacekeepers, Economy To Top Campaign Issues [KYODO]	10
Ozawa 'Confident' About LDP Election Victory [KYODO]	11
Watanabe 'Likely To Leave' Hospital 10 Jul [KYODO]	12
'Unlikely' To Go to ASEAN Meeting [KYODO]	12
Support for Miyazawa Rises 'Sharply' in Poll [KYODO]	12
EPA Survey Report Predicts Economic Slowdown [KYODO]	13
Keidanren Calls for Fair Corporate Competition [KYODO]	13
Tokyo 'Ready' To Take Economic Support Measures [KYODO]	13
New Car Sales Rise 0.5 Percent From Year Ago [KYODO]	13
Construction Orders Down 20.4% From Year Ago [KYODO]	14
New JR Bullet Train Links Tokyo, Yamagata [KYODO]	14

Mongolia

'Young' Parties Plan Withdrawal Into Opposition [Moscow ITAR-TASS]	14
--	----

North Korea

JNCC Chairman's News Conference Reported [Pyongyang Radio]	15
ROK Berated for Taking 'Road of Confrontation' [KCNA]	16
Paper Says South 'Currying Favor' With Japan [KCNA]	17
Technical Shock Brigades Fulfill Innovation Plans [KCNA]	17

South Korea

DPRK Messages on 'Pan-National Rally' Refused [YONHAP]	17
Assembly Leaders Meet, Disagree on Major Issues [YONHAP]	18
U.S. Share of Agriculture Market Decreasing [MAEIL KYONGJE SINMUN 29 Jun]	18
Government Plan To Boost Competitiveness Detailed [YONHAP]	19
Industrial, Export Policy Changes Proposed [YONHAP]	19
\$10 Billion in Exports Lost Since 1988 [YONHAP]	20
KEB, Foreign Banks Argue Over Service Fees [THE KOREA TIMES 1 Jul]	20
Japan Considering Using ROK Construction Firms [YONHAP]	21
ROK-Japan Plan To Balance Trade Announced [YONHAP]	21
Kim Tae-chung Advocates Free Market Economy [THE KOREA HERALD 1 Jul]	22

SOUTHEAST ASIA

Burma

Various Groups Speak at Coordination Meeting	24
National League for Democracy Views [Rangoon Radio]	24
Shan League Presents Views [Rangoon Radio]	25
Opposition Unlikely To Request Release of Leaders [AFP]	26
SLORC Releases 92 Political Prisoners [Rangoon Radio]	27
English-Language Domestic TV Newscast To Begin [Rangoon Radio]	27

Brunei, Malaysia & Singapore

Malaysia

Kelantan Seeks Federal Apology to Sultan Ismail [AFP]	27
---	----

Singapore

Premier Goh Returns After 2-Day Visit to Brunei [Singapore Radio]	28
Four More Officers Promoted to General [THE STRAITS TIMES 28 Jun]	28

Cambodia

Nearly 2,000 FUNCINPEC Troops in Cantonment [Radio VOK]	28
Further on Akashi, Ranariddh Remarks [AFP]	28
Chea Sim Meets U.S. State Department Official [SPK]	29
Hor Namhong, Thai Counterpart Issue Communique [Phnom Penh Radio]	29
Hor Namhong Returns to Phnom Penh [Phnom Penh Radio]	30
Ranariddh Discusses Tokyo Conference Outcome [Radio VOK]	30
Chea Sim Speech Marks CPP Founding Day [Phnom Penh Radio]	34
Circular Marks CPP Founding Anniversary [Phnom Penh Radio]	36
CPP Receives Greetings From SRV Counterpart [Phnom Penh Radio]	37
Cease-Fire Violations in Preah Vihear, Battambang	38
SRV Reportedly Sends Ammunition [Radio VGNUFC]	38
'Hundreds of Troops' to Route 10 [Radio VGNUFC]	38

Indonesia

French Minister on KR-UNTAC Non-Cooperation [ANTARA]	38
Amnesty Concerned at Acehese in UNHCR Office [AFP]	38

Laos

Japanese Delegation Arrives for 4-Day Visit [KPL]	39
Official Sends Condolence Message to PRC [KPL]	39
Government 'Dissatisfied' With Thai Investors [Bangkok BANGKOK POST 30 Jun]	39
Somlat Chanthamat Addresses Youth Union Meeting [KPL]	40

Philippines

'Good Days' of Relations With U.S. Said 'Over' [Manila Radio]	40
Rebels Free Kidnapped Former U.S. Army Captain [MANILA BULLETIN 1 Jul]	41
Japanese To Help in Solving Power Shortage [KYODO]	41
South Korea Warns Against Ties With North [Quezon City Radio]	41
Israel Reportedly Phasing Out Contract Workers [MANILA BULLETIN 28 Jun]	42
Ramos Inducts Cabinet in Malacanang Rites [MANILA BULLETIN 1 Jul]	42
Ramos Wins Initial Support From Organized Labor [THE CHRONICLE 1 Jul]	43
Ramos To Invigorate Mindanao Economic Development [Manila Radio]	43
Aquino Leaves 43 Billion Peso Deficit [MANILA BULLETIN 28 Jun]	43
Cardinal Sin Assures Ramos of Church's Support [Manila Radio]	44
Says Relationship 'Beautiful' [AFP]	44
Presidential Crime Commission To Be Different [Quezon City Radio]	44
Estrada Has Police Support [Quezon City Radio]	45
AFP, PNP Confident of No Major Reorganization [Manila Radio]	45
10 Filipino Muslims Missing in Afghanistan [Manila Radio]	45
Abadia Wants Consultations Before Granting Amnesty [Manila Radio]	45
Communist Rebels Release Two Hostages in Davao [PHILIPPINE DAILY INQUIRER 30 Jun]	46
Communist Front Opposes Nuclear Plant Operation [Manila Radio]	46

Thailand

Editorial Urges Against 'Cornering' Khmer Rouge [BANGKOK POST 26 Jun]	46
Army Official on Refugee Camp Incident [Bangkok Radio]	47
Military Reports Lao Chemical Weapons Training [THE NATION 30 Jun]	47
Army Chief Willing To Resign, Wants Deputy Post [THE NATION 1 Jul]	48
Army Pledges Neutrality in General Election [Bangkok Radio]	49
Premier Rules Out Military Role in Elections [THE NATION 1 Jul]	50
Protesters of Land Resettlement Snub Anan's Envoy [THE NATION 1 Jul]	50
Paper Sees Hope for Military in Unrest Aftermath [BANGKOK POST 1 Jul]	50
BPP Chief Blames Army Chief for Violence [BANGKOK POST 1 Jul]	51

Vietnam

Third Party Plenum Communique Broadcast [Hanoi Radio]	52
Vo Van Kiet Meets Brunei Vice Foreign Minister [VNA]	54
Tourist Cooperation Accord Reached With PRC [VNA]	54
Russia's Makharadze Urges Friendship, Cooperation [VNA]	54
Further on National Assembly Candidate List [Hanoi Radio]	55

AUSTRALASIA

Cook Islands

Premier—Pacific Forum To Link With ASEAN [AFP]	58
--	----

Papua New Guinea

Premier Namaliu Struggles To Hold Parliament Seat [AFP]	58
---	----

Regional Meeting on Spratlys Dispute Continues

Delegates Agree on Development Cooperation

*BK3006114092 Jakarta ANTARA in English 1110 GMT
30 Jun 92*

[Text] Yogyakarta, June 30 (OANA/ANTARA) - Participants of the workshop of managing the potential conflicts in the South China Sea Monday agreed to cooperate to develop resources on the Spratly Islands without paying too much attention to the overlapping claim on the islands.

Hasyim Jalal, chairman of the workshop, explained that on the first day of the workshop, some participants urged the assessment on the region's potentials so that cooperation, including on the conservation and management of its resources, could soon be established.

However, he added that no decision had been made as to which country would host a technical workshop to determine the programs for the management and conservation activities.

The PRC, Taiwan, Malaysia, the Philippines, Brunei, and Vietnam are all overlappingly [as received] claim parts or all of the oil and gas rich islands.

The Spratly issue surfaced again recently when the PRC ratified its maritime law and claimed the islands as part of its territory.

This workshop was opened by Foreign Minister Ali Alatas. It is the third of its kind. The first was held in Bali in January 1990 and the second in Bandung in July 1991.

On the first day, the workshop discussed several problems, including the management of resources, navigation, sailing and communication activities.

Participants from the disputing countries and from other concerned countries made their remarks as individuals.

Jalal further said the workshop also discussed the holding of a technical workshop on the assessment of hydrocarbon resources in the disputed area and its surroundings.

We have not reached an agreement on which country should host such a workshop, he said.

According to Jalal, no agreement has been reached as to the management of the potentials of the islands like the bilateral one between Indonesia and Australia on the oil exploration in the Timor Gap.

About the navigation aspect, Jalal said several issues have also been discussed, for example, whether the present navigation map is still useful or the present navigation mechanism still relevant in coping with issues like piracy and drug trafficking.

In general, according to Jalal, participants of the workshop agreed that the situation had to be improved in view of the increased traffic in the region.

Delegates Question PRC Law

*BK0107130392 Jakarta ANTARA in English 1112 GMT
1 Jul 92*

[Text] Yogyakarta, July 1 (OANA/ANTARA)—A new law passed in the People's Republic of China (PRC) stating that the Spratlys and the Paracels are its territory invited a range of comments from participants including "arch rival" Vietnam, at the second day of the workshop on the South China Sea here Tuesday.

The Vietnamese delegates to the workshop wanted three basic principles agreed upon in the previous workshop in Bandung to be upheld, spokesman of the workshop Dr. Hasyim Jalal said.

According to Jalal, the three principles are that efforts be made to reach a peaceful solution to potential conflicts in the South China Sea, that the use of arms be avoided, and that cooperation is promoted instead of confrontation.

Vietnam together with Taiwan, Malaysia, Brunei, the Philippines, and the PRC claim the two groups of islands in whole or in part.

The first workshop on the South China Sea was held in Bali in January 1990, while the second in Bandung a year later.

The overlapping claims to the oil-rich Spratlys and Paracels drove the PRC and Vietnam to armed conflict in 1974 and 1988.

The PRC delegate to the Yogyakarta workshop, Tang Chengyuan who is also a Foreign Ministry official said the law reflects his country's consistent position that both the Spratlys and the Paracels belong to its territory, although Beijing will also welcome cooperation with other countries, including those laying a claim to the two, to explore their potentials.

The PRC has been described as the key player of the South China Sea issue by the participants of the workshop, including Lee Lai To, director of Singapore's Institute of International Affairs who said that, "It is only natural that some countries in Southeast Asia will continue to be concerned with the PRC factor."

With the United States not acting as a political stabilizer and the disintegration of the Soviet Union, each and every move of the PRC regarding the strategic groups of islands would be treated with special caution, he said.

Lee also expressed his concerns that Japan may feel invited to get involved in the issue, especially if the PRC has become "too dominant."

According to Lee, the PRC's decision to award a concession to Crestone Energy Corporation of the United

States to explore oil will "create misgiving about its sincerity in using peaceful means to resolve conflicts and jointly develop the area."

Vietnam has lodged a strong protest against the PRC's decision on the concession to Crestone.

Meanwhile, Jalal, who is also Indonesia's ambassador to Germany and an expert in international maritime law, said the informal workshop Tuesday discussed as well the issue of the environment and marine research.

The environment topic, he went on, mainly dealt with the possible pollution from ships passing through the South China Sea and exploration activities.

Participants, according to Jalal, agreed that a separate meeting to discuss the environmental aspects of the South China Sea issue should soon be organized.

However, they have not decided on the modalities or the venue for such a meeting, he said.

More Comments on PRC Law

*BK0107074592 Hong Kong AFP in English 0644 GMT
1 Jul 92*

[Text] Yogyakarta, Indonesia, July 1 (AFP)—China came under fire for the second day in a row Wednesday as participants in a workshop on the South China Sea questioned Beijing's recently passed maritime territorial law.

The law, passed in February and reinforcing Beijing's claim to sovereignty over disputed islands in the South China Sea, had already dominated sessions late Tuesday, conference officials said.

"This law has the effect of hardening or making the quest more difficult for any peaceful overture," Malaysia's Hamzah Ahmad told the morning session on the third day of a workshop titled "Managing Potential Conflicts in the South China Sea".

Hamzah, assistant director-general of Malaysia's Institute of Strategic and International Studies, said "certain misgivings have come up on this kind of policies. Now, I am not sure whether countries in this southern region can trust what China tells us."

In the February law Beijing reiterated its "undisputed sovereignty" over the Spratlys and the Paracels, two strategically-located groups of islets in the South China Sea sitting on what is believed to be an area rich in oil and gas deposits.

Beijing also accorded an oil and gas exploration contract in the Spratlys to a United States company in May.

Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam all have overlapping territorial claims in the Spratlys.

Delegates of the six claimants are joined by those from host Indonesia, Laos, Singapore and Thailand in the

four-day workshop that ends here Thursday. All participants came in their personal capacity.

Chinese delegates, voicing their private views, had already tried to provide answers Tuesday, organizers have said, adding that many queries had remained unanswered or unsatisfactorily answered.

The queries mostly concerned Beijing's recent moves, which could be viewed as a Chinese attempt to assert power in the South China Sea at a time when negotiations were on course to solve the disputes there through peaceful means.

China's muscle-flexing also follows the closure of U.S. military bases in the Philippines.

Echoing another speaker at the workshop Tuesday, Hamzah said China needed to be involved more in dialogues with other countries to resolve any conflict in the region if not to contribute to confidence building in the area.

Hamzah, however, stressed the need "to upgrade" the informal process to a more formal one to achieve stable peace in the region.

He also said that cooperation in the South China Sea should first start with less contentious issues, and move slowly forward to include more sensitive matters such as territorial claims in line with growing mutual confidence.

South China Sea Level Said Rising

*OW3006113292 Tokyo KYODO in English 0706 GMT
30 Jun 92*

[Text] Yogyakarta, Indonesia, June 30 KYODO—Global warming, accelerated by rising levels of green house gasses, is estimated to have caused the South China Sea to rise 20 centimeters over the past 100 years, a Chinese official said Tuesday.

The rise is higher than the average rise in the world sea level, which has risen 15 centimeters in the same span of time, Wu Yilin, deputy chief of the China's State Oceanic Administration's Marine Forecast, told an international conference on the littoral region.

He said that if the rise in the sea level of the South China Sea continues it will have an adverse impact on the area.

"It will not only inundate islands (in the area), unbalance natural values and the ecological environment but also increase the frequency and severity of storms," he said.

He spoke on the second day of the four-day conference which was opened Monday by Indonesian Foreign Minister Ali Alatas.

Wu said those estimates are based on the recent findings of a Chinese Government panel on climate change.

The conference, whose agenda covers various issues including resource management, navigation, environment and political issues, is the third of its kind. Ten countries from the area surrounding the South China Sea are participating.

Six countries are pursuing sovereignty and jurisdictional claims on most or some of the islands, atolls, and reefs of Spratlys and Paracels, namely China, Vietnam, the Philippines, Malaysia, Brunei, and Taiwan.

The other four countries, Thailand, Laos, Singapore, and Indonesia, do not lay claim on the area, which is believed to be rich in oil and gas.

Control over the Spratlys and Paracels, which straddle the Indian Ocean near the Strait of Malacca, means control of the some of the busiest waterways in the world.

Sea lanes in the area link Japan and other Asian countries to the oil of the Persian Gulf.

Idea for Spratlys Demilitarized Zone 'Idealistic'

BK0107095492 Jakarta ANTARA in English 0900 GMT 1 Jul 92

[Text] Sorong, Jul 1 (OANA/ANTARA)—A Singaporean professor on Wednesday ruled out the possibility of declaring the much-disputed Spratly Islands a demilitarized zone as a number of the countries laying claim to the islands still deploy troops there.

Lee Lai To of the National University of Singapore told ANTARA that it was very difficult for the claimants to withdraw their troops from the islands.

A number of military heads have stated that they would like to strengthen their military presence in the area, Lee said adding "I think that this would very dangerous and may lead to armed conflict."

Lee cited the examples of the clashes between the navies of China and Vietnam in the disputed waters in 1975 and 1988. The proposal to declare the area a demilitarized zone is very idealistic, he added.

Lee was responding to the statement of a U.S. researcher who suggested that all claimants to the islands agree to declare the area a demilitarized zone.

Lee said the only possible way would be to freeze all military activities in the islands, but doubted that this could be achieved as a number of countries involved continue to strengthen their military forces in the islands.

Lee was here to attend the third workshop on the managing potential conflicts in the South China Sea which is expected to end on Thursday.

Meanwhile, Dr. B.A Hamzah from Malaysia's Institute of Strategic and International Studies said that the proposal for the demilitarized zone is in line with the concept of the zone

of peace, freedom, and neutrality already agreed upon by Malaysia, Indonesia and Brunei Darussalam.

However, Hamzah said the problem that may arise is that to what extent nuclear weapon producing countries like China and the United States is willing to accept the concept.

Six countries—China, Vietnam, Taiwan, Malaysia, the Philippines and Brunei—claim all or part of the Spratly Islands, a sprawling chain of barren atolls, and the adjacent areas in the South China Sea.

The islands are thought to contain rich oil and gas resources. Observers have said Vietnam deploys their troops on 25 islands, the Philippines on eight islands, China on seven islands, Malaysia on three islands, and Taiwan on one island. The Spratlys consist of 33 islands and more than 400 islets and atolls.

Japan To Support ASEAN Interests at GATT

BK2306113792 Jakarta ANTARA in English 1011 GMT 23 Jun 92

[Text] Tokyo, June 23 (OANA/ANTARA)—Japan promises to pay attention to the interests of ASEAN member countries in GATT's Uruguay Round of negotiations, particularly with regard to agricultural products.

The Japanese readiness was announced at a meeting here on Tuesday which was attended by the Indonesian and Thai foreign ministers, the deputy foreign ministers of Brunei Darussalam and Malaysia, and two Foreign Office senior officials from the Philippines and Singapore.

The Japanese side was represented by Chief Cabinet Secretary Koiji Kato who has a ministerial rank in the Japanese Cabinet.

After the meeting, Foreign Minister Ali Alatas said that Japan had requested for views of Indonesia and the other ASEAN member countries which would be brought as inputs to the summit meeting of the seven advanced industrial countries (G-7) in Munich, Germany on July 12, 1992.

The G-7 meeting has several times succeeded in having several Japanese trade policies on agricultural products changed, including liberalisation of 12 varieties of cattle products after the G-7 meeting in Toronto, Canada in June 1988.

At a separate meeting, Thai Foreign Minister Asa Sarasin told ANTARA that he appreciated much of what had been done by Indonesia for Cambodia as a contribution in creating an everlasting peace in Southeast Asia.

Foreign Minister Ali Alatas and his Thai counterpart, together with 30 delegations from other countries, are in Tokyo to attend the international ministerial meeting on the rehabilitation and reconstruction of Cambodia, which took place on Monday [22 June].

Minister Alatas is scheduled to leave for home on Wednesday.

Japan**Miyazawa, Baker Discuss Northern Territories***OW3006233692 Tokyo KYODO in English 2308 GMT
30 Jun 92*

[By Shiro Yoneyama]

[Text] Washington, June 30 KYODO—Japanese Prime Minister Kiichi Miyazawa received renewed American support for the Japanese claim to four Russian-held islands in a meeting Tuesday with Secretary of State James Baker. Miyazawa met with Baker at the Blair Guest House shortly after arrival in Washington on his first official visit as premier.

A senior Japanese Foreign Ministry official said Baker told Miyazawa the United States supports "100 percent" the Japanese claim to the disputed islands of Etorofu, Kunashiri, Shikotan, and the Habomai islets off Hokkaido. Miyazawa thanked the United States for its renewed backing of the Japanese stand on the so-called "Northern Territories" and expressed appreciation for President George Bush's remarks on the matter in talks with Russian President Boris Yeltsin when he visited Washington in mid-June.

Miyazawa will meet with Bush on Wednesday in a plenary session at the White House before the two leave by helicopter for the presidential retreat at Camp David, Maryland, for a one-on-one session over dinner. A senior U.S. official said on the eve of the U.S.-Japan summit that the U.S. wants Japan to purchase more foreign-made semiconductors and glass products.

Miyazawa arrived at Andrews Air Force Base in Maryland just outside Washington Tuesday afternoon. His official working visit to Washington is the first leg of a three-nation trip that will later take him to Britain and then to Germany, where the annual economic summit of leaders of the Group of Seven (G-7) major industrialized countries will be held in Munich from July 6 to 8.

Japanese officials said Miyazawa and Baker briefly touched on the question of aid to the former Soviet Union, which is likely to top the Munich summit agenda. While acknowledging the Japanese position on the territorial issue, Baker stressed the importance of Western support for the Yeltsin-led democracy movement in Russia, a Japanese official said without elaboration. Japan has refused to provide Russia with large-scale aid pending the resolution of the territorial dispute, which has kept Tokyo and Moscow from concluding a peace treaty since World War II.

In the meeting, which lasted about 35 minutes, Baker conveyed Bush's interest in Japanese plans to help spur global economic growth, the Japanese officials said. Baker also congratulated Miyazawa on winning the passage earlier this month of legislation through the Japanese Diet that will enable the dispatch of the Self-Defense Forces to join United Nations peacekeeping

missions. The Japanese official said Baker relayed his wishes to ailing Foreign Minister Michio Watanabe for his swift recovery. Additionally, the Japanese official said, Baker hailed a recent Tokyo meeting on Cambodia in which Japan, the United States, and other countries pledged a total of 880 million dollars for Cambodia's reconstruction.

After meeting with Baker, the premier visited Arlington National Cemetery for a wreath-laying ceremony.

The Miyazawa-Baker meeting was held in an informal atmosphere because of their past encounters, including numerous contacts while Miyazawa was finance minister and Baker served as treasury secretary under President Ronald Reagan. The Japanese official said Miyazawa conversed in English with Baker apparently as "a rehearsal" for his summit talks with Bush on Wednesday. Miyazawa will meet with U.S. congressional leaders before leaving for London.

Reaction to U.S. Steel Dumping Charges Reported**Tokyo, Industry React 'Calmly'***OW0107004192 Tokyo KYODO in English 0018 GMT
1 Jul 92*

[Text] Tokyo, July 1 KYODO—The Japanese Government and steel industry reacted calmly Wednesday to dumping complaints by major U.S. steelmakers against Japanese and other foreign steelmakers filed on Tuesday.

A senior official of the Ministry of International Trade and Industry (MITI) said it is not appropriate to regard the U.S. steelmakers' action as a rekindling of Japan-U.S. trade friction. The official, who declined to be named, noted that the situation has changed greatly since 1977 when the Japanese steel industry was a target of dumping charges by its U.S. counterpart.

Kenji Ochi, head of the ministry's steel industry section, explained that the Japanese share on the U.S. steel market dropped to 3.2 percent in 1991 from nearly 8.0 percent in the late 1970s. He said the Japanese steel industry will suffer little from the dumping complaints filed with the U.S. Commerce Department and International Trade Commission (ITC). The action is said to be the most extensive dumping complaint by the beleaguered U.S. steel industry since a multilateral arrangement to regulate steel trade expired last March.

The Japanese steel industry dismissed the U.S. complaint as groundless. Officials at Kobe Steel Ltd. said Japanese steelmakers have been trying to export high-priced products to the United States and ruled out the possibility that the U.S. action will develop into full-scale friction between the two countries.

Nippon Steel Corp., the world's largest steel producer, said it will wait for a decision to be made on the complaint by the ITC. A ruling in favor of the U.S.

steelmakers would have a serious impact on U.S. steel imports and disrupt the supply-demand situation in the country, the company said.

Japanese steelmakers said they will conclude contracts on exports of steel sheets and other main products to the United States on a monthly basis pending investigations by the ITC. Japanese industry sources said the U.S. action is aimed at taking the upper hand in negotiations for a new multilateral arrangement on steel trade.

'Unwarranted' Actions Decried

*OW0107014192 Tokyo KYODO in English 0129 GMT
1 Jul 92*

[Text] New York, June 30 KYODO—The Japanese steel industry Tuesday rapped antidumping petitions filed the same day by the U.S. steel industry, saying the "unfounded charges only harass legitimate competition and hurt American consumers."

The Japan Steel Information Center, based in New York, claimed American steelmakers know Japan's exports to the United States have declined almost 50 percent in the past six years, while their prices have been consistently higher than U.S. domestic prices.

"We are astonished," the center said, that Japan's past financial and technical cooperation to modernize the U.S. steel industry "are totally ignored."

"These unwarranted trade actions will cause havoc to world steel trade stability and significant damage to our traditional American customers who have been buying our fairly traded customized products on a consistent basis," the center said, on behalf of the Japanese steel industry.

Meanwhile, the center called for resumption of multilateral steel talks to achieve free and stable world steel trade. "This is in the national interest of the United States as well as its trading partners," it stated.

Kozo Watanabe Expresses Regrets

*OW0107090492 Tokyo KYODO in English 0857 GMT
1 Jul 92*

[Text] Nagoya, July 1 KYODO—International Trade and Industry Minister Kozo Watanabe expressed regret Wednesday over dumping lawsuits filed by major U.S. steel manufacturers against Japanese and other steel firms.

"It is an extremely regrettable step, and I hope it will be withdrawn quickly," he told a news conference.

Watanabe expressed hope that the dispute will be resolved through multilateral negotiations that will include the European Community.

The U.S. steel industry filed 84 lawsuits against steelmakers from Japan and 20 other countries, accusing

them of selling a wide range of steel products at prices below the production cost in the U.S. market.

The complaints also charged that some foreign governments have subsidized the steel exports.

The U.S. action followed the March expiration of multilateral arrangements to regulate steel trade.

'No PCB's' in 3 Transformers at U.S. Bases

*OW0107032692 Naha OKINAWA TIMES in Japanese
1 Jul 92 Morning Edition p 2*

[Text] Tokyo—On 30 June, the Defense Facilities Administration Agency (DFAA) disclosed the results of an analysis on three transformers installed at Camp Courtney and the Makiminato Supply Base [Camp Kinser]. U.S. Forces stationed on Okinawa had claimed that these transformers contained PCB's [polychlorinated biphenyl] and asked the DFAA to replace them.

The analysis was made by the Okinawa Environmental Science Center upon DFAA request. The center examined the insulation oil in the transformers and found that two transformers at Camp Courtney contained no PCB's and one transformer at Camp Kinser contained 0.2 parts per million (ppm) of PCB's. The DFAA has decided not to replace the transformer at Camp Kinser because it contains "only a small quantity of PCB's."

The three transformers were provided by the Japanese Government to U.S. Forces as part of measures to improve military facilities. The U.S. Forces had also asked the DFAA to replace 13 transformers at Iwakuni Base. Having been informed that the transformers at Iwakuni Base contained an average of 14.9 ppm of PCB's, the DFAA had complied with the U.S. request to replace them.

The U.S. PACIFIC STARS AND STRIPES and OKINAWA TIMES had reported that the three transformers at the bases on Okinawa contained PCB's. Also, data shown in a U.S. request for replacement of transformers, which had been submitted to the DFAA, had indicated that the transformers contained PCB's. Despite these reports, the results of the analysis showed that one of the three transformers contained only a small quantity of PCB's.

Commenting on the results of the analysis, transformer manufacturers and the U.S. Forces said that the results denied the possibility that the PCB's were mistakenly injected into transformers during the manufacturing process or as a result of improper handling.

Miyazawa Decides on Tokyo for Next G-7 Summit

*OW3006080392 Tokyo NHK General Television
Network in Japanese 0300 GMT 30 Jun 92*

[From "NHK News" program]

[Text] Prime Minister Miyazawa has decided on Tokyo as the site of the next summit—of leading industrial

nations' leaders—which it has been agreed will be held in Japan. He will formally announce this at the Munich summit due to open on 6 July.

The summit—the conference of industrial nations—is held every year with summit nations taking turns in hosting it. The next summit has been set to be held in Japan. On the exact venue of the event, however, there have been views favoring a place other than Tokyo, and the government has been reviewing the possibility of holding it in Chiba, Kobe, or Sapporo.

As a result of the studies, the government has determined that holding the summit in one of these cities will be difficult because of transportation and accommodation problems. The government, consequently, has decided to make Tokyo the site.

Prime Minister Miyazawa will announce this formally at the Munich summit due to open on 6 July.

LDP Briefed on PRC View of Emperor's Visit

*OW0107061192 Tokyo KYODO in English 0519 GMT
1 Jul 92*

[Text] Tokyo, July 1 KYODO—Beijing is watching closely how the Japanese Government will decide on Emperor Akihito's visit to China, the Japanese ambassador to China said Wednesday. Ambassador Hiroshi Hashimoto briefed Liberal Democratic Party [LDP] Secretary General Tamisuke Watanuki about the Chinese Government's stance on the proposed visit of the emperor.

Hashimoto told Watanuki the imperial visit is solely up to the LDP and the government to decide, but added that it is a "cooling-off period" for the Chinese and Japanese Governments. Watanuki did not comment on the matter, they said.

Beijing has repeatedly urged Tokyo to accept an invitation for Emperor Akihito as part of events commemorating the 20th anniversary of the two countries' restoration of diplomatic ties. Some conservative lawmakers within the LDP are against the proposed visit partly because of a dispute over sovereignty over islands Japan calls the Senkaku Islands in the East China Sea. They are also not pleased with Chinese demands for wartime compensation for individuals.

Trade Imbalance Plan Agreed on With ROK 1 Jul

*OW0107054692 Tokyo KYODO in English 0447 GMT
1 Jul 92*

[Text] Tokyo, July 1 KYODO—Japan and South Korea on Wednesday agreed on a bilateral "action plan" aimed primarily at redressing the huge trade imbalance, now in Japan's favor, and promoting Japanese technology transfers to South Korea, Foreign Ministry officials said. The

plan, spelling out concrete measures to tackle the imbalance problem, was the product of intense negotiations under way since November 1990 in a working-level forum.

Japanese Prime Minister Kiichi Miyazawa and South Korean President No Tae-u agreed in Seoul last January that the plan should be drawn up by the end of June.

With regard to the lynchpin of the plan, the setting up of industrial and science technology foundations in each country by the end of 1992 to promote Japanese technology transfers, it was agreed that each country should strive to put forward 1 billion yen toward their respective foundations for operating costs.

Officials said the South Korean Government will provide some 600 million yen for its own foundation. They said Seoul expects the Japanese Government to come up with a like amount for the Japanese foundation. Since the Japanese Government is unable to procure start-up funds out of its current fiscal 1992 budget, which started in April, officials said it is expected the Japanese private sector will provide an initial 200 to 300 million yen.

Seoul has strongly pressed for the fund amid hesitancy from the Japanese Government and private sector. In recent negotiations, it backed down from its original proposal for a 200 million dollar joint foundation funded 75 percent by Japan. The action plan was worked out by teams led by Deputy Foreign Minister Koichiro Matsuura and South Korean Assistant Foreign Minister Ho Seung.

Last year South Korea had a record 8.7 billion dollar trade deficit with Japan, more than twice the figure for 1989. South Korea's deficit with Japan in 1991 accounted for about 90 percent of its 9.6 billion dollar overall trade shortfall.

The action plan also called for the early conclusion of an environmental protection treaty and endorsed technological cooperation on five specific environmental tasks, including water quality management. Japan pledged to accept 20 South Korean trainees this year to take courses here related to environmental protection at the Japan International Cooperation Agency (JICA).

Officials said one of the important points of the plan for Japan was Seoul's agreement to let branches of Japanese trading houses in South Korea engage directly in the export business there. Japan had asked South Korea to open up both the export and import fields to Japanese trading houses, which are at present only allowed to act as middlemen between buyers and sellers.

The plan endorsed the establishment of a Japan-South Korea business executives' forum to discuss such matters as the bilateral trade imbalance and industrial science and technology transfers. The action plan stated South Korea agreed to take steps to improve the climate for investment and technology transfer. The plan said the two countries would begin negotiations in July on

Tokyo's demands for fair treatment of Japanese patents for pharmaceuticals, considering that Seoul gives preferential treatment to those of the United States and the European Community. It marked the end of 1992 as the target date for a resolution on the issue.

An annex to the plan said that the two countries agreed to tackle South Korea's call for Japanese tariff reductions on 16 export items, including textiles, footwear, and leather goods, in the Uruguay Round of multilateral trade talks, rather than bilaterally. The annex also said the two sides would continue talks on Seoul's call for South Korean firms to be given the same opportunities as those accorded U.S. firms in participating in public works projects in Japan.

ROK Releases Detained Fishing Boat Crews

*OW0107151792 Tokyo KYODO in English 1448 GMT
01 Jul 92*

[Text] Kitakyushu, Fukuoka Pref., July 1 KYODO—South Korean maritime authorities released on Wednesday a total of 42 Japanese fishermen, together with four fishing boats detained on Monday in the Korea Strait on suspicion of fishing illegally, Japanese maritime safety officials said.

But South Korean authorities indicted the same day Yutaka Shima, skipper of the No.5 Taiyo Maru of Nagasaki, for allegedly illegal fishing within South Korean fishing zones and are detaining him, the officials said.

The 42 freed crew members left Pusan Tuesday night with the four fishing boats, they said.

The released ships are the No.5 Taiyo Maru, the No.53 Taiyo Maru, the No.55 Taiyo Maru, and No.38 Taiyo Maru, all belonging to Taiyomaru Gyogyo Co. of Nagasaki.

The four ships were detained 26.4 kilometers northwest of Tsushima Island, Nagasaki Prefecture, on Monday for allegedly entering exclusive Korean fishing zones while operating in a joint South Korea-Japan regulated zone.

Russia Considers Foreign Money Pool for Imports

*OW0107135492 Tokyo KYODO in English 0958 GMT
1 Jul 92*

[Text] Tokyo, July 1 KYODO—Russia is considering opening a special foreign currency bank account to guarantee import payments, Ministry of International Trade and Industry officials said Wednesday.

The idea is aimed at expediting talks on buying equipment and seamless steel pipes from Japanese companies, including Nippon Steel Corp., to boost oil production, the officials said.

An early June decree by President Boris Yeltsin raised Russian oil development companies' export quotas, and

the foreign currency thus gained could be used to guarantee payments to buy the production equipment, they said.

The talks over seamless steel pipes, under way since November, involve about 600,000 tons of pipes worth some 700 million dollars, they said.

Russia's oil and gas corporation has been working with four Japanese steel companies and several trading houses on such details as selection of a bank for the special account, conditions for withdrawal, and precautions against potential problems, they said.

The four steel companies are Nippon Steel Corp., Sumitomo Metal Industries Ltd., NKK Corp., and Kawasaki Steel Corp., they said.

The ministry has kept an eye on the talks amid concerns about overdue debts of the former Soviet Union, the officials said.

Russia expects the new system could help reconstruct its oil industry, the country's largest foreign-currency earner, and plans to seek the understanding of major industrial nations for the new system, they said.

Tokyo Offers Philippines 25.3 Billion-Yen Loan

*OW0107061292 Tokyo KYODO in English 0548 GMT
1 Jul 92*

[Text] Tokyo, July 1 KYODO—Japan will provide the Philippines with a 25.3 billion yen low-interest loan to facilitate its reconstruction efforts in the aftermath of last year's volcanic eruption of Mt. Pinatubo, Foreign Ministry officials said Wednesday.

Officials said representatives of the two countries met in Manila earlier Wednesday and exchanged diplomatic notes relating to the loan to be disbursed by the Overseas Economic Cooperation Fund (OECF). The loan will carry an annual interest rate of 3 percent and will be repayable over 25 years, including a seven-year grace period.

Last March, Japan pledged the equivalent of 200 million dollars for areas devastated by the eruption at a meeting in Hong Kong of donors for the Philippines.

LDP Approves Foreign Trainees Draft Proposal

*OW3006044292 Tokyo KYODO in English 0358 GMT
30 Jun 92*

[Text] Tokyo, June 30 KYODO—A policy deliberation panel of the ruling Liberal Democratic Party (LDP) approved a draft proposal Tuesday that Japan should accept more foreign trainees as a way to promote international cooperation.

A draft proposal urges the establishing of a two-year training system at private companies where foreign trainees would be allowed to work following a certain period of vocational training.

At present, the length of stay for foreign trainees is limited to between three and 12 months.

The government, however, should continue its ban on unskilled foreign workers, the document says.

The LDP's Policy Deliberation Commission endorsed Tuesday the draft proposal of its committee on foreign workers, which is headed by Yoshiro Mori, the chairman of the party's Policy Affairs Research Council. The party's Executive Council is scheduled to adopt the draft proposal formally on Friday.

Under the proposal, the government would set up a system to provide foreigners with vocational training at Japanese companies, after which those deemed to have reached a certain standard would continue "on-the-job training" at companies under formal employment contracts.

The proposal urges the government to issue a certificate of technical ability for foreign trainees at the end of the two-year training period if they request it.

Companies involved should contribute money to a government-sponsored fund to ensure that foreign trainees are able to return home once their training ends, it recommends.

Firms participating in the scheme should also submit lists of foreign trainees to the authorities and should check their visa status, in a bid to curb the illegal employment of foreign workers, the document says.

Japan should expand its acceptance of foreign trainees as a means of promoting international cooperation, it says.

Regarding the ban on unskilled foreign workers, the proposal says the regulation is necessary to protect the job opportunities of elderly Japanese people. It also argues that the introduction of unskilled foreign workers could cause a dual wage system and dual labor market.

Executives Propose To Accept Foreign Trainees

OW0107100592 Tokyo KYODO in English 0902 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—An organization of Japanese company executives proposed Wednesday that Japan accept more foreign trainees but maintain its ban on illegal foreign workers.

The Japan Association of Corporate Executives (Keizai Doyukai), in a report, stressed the need to establish a two-year training system, operated by private companies, and providing appropriate on-the-job training for foreign trainees who would be granted a "training visa" from the Japanese Government.

Although the government should continue its ban on illegal foreign workers, Japan should accept more foreign workers experienced in various job fields, the report said.

In order to carry out the new plan, the report said, the current immigration law should be revised and the

foreign trainees should be legally protected by allowing them to enroll in health insurance and worker accident compensation insurance.

In addition, the report proposed the establishment of a deposit fund system which would enable foreigners to easily reestablish themselves when they go back to their home nations.

Meanwhile, Japan's business groups need to establish a watchdog institute in Japan on illegal acceptance of foreign workers by companies, the association said.

The report also said the Japanese Government should create overseas "Japan centers," to provide Japanese-language teaching to people who want to work in Japan.

Nikko Securities To Accept Vietnamese Trainees

OW0107100392 Tokyo KYODO in English 0913 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—Two Vietnamese will be accepted as trainees this summer at a subsidiary of Nikko Securities Co., the first Japanese financial institution to make such a move, the company said Wednesday.

Nikko Research Center, the research arm of the major brokerage house, will provide two months of training starting Thursday to Dinh Xuan Trinh, economic professor of Hanoi Foreign Trade University, and Finance Ministry official Nguyen Thi Thanh.

The two will study the economic systems and the financial and capital markets of Western countries as well as the economic transformation under way in Eastern Europe.

The center expects the trainees to make use of knowledge acquired during the training to assist Vietnam in its ongoing economic reforms.

Peacekeeping Fact-Finders Depart for Cambodia

OW0107044492 Tokyo KYODO in English 0414 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—A government fact-finding mission left Wednesday for Cambodia to prepare for Japan's first participation in United Nations peacekeeping operations.

The 15-member mission, headed by Tatsuo Arima, chief cabinet councillor for external affairs at the Prime Minister's Office, will arrive in Phnom Penh Thursday via Bangkok. The mission will stay there until July 7, officials said. The team includes officials of the National Police Agency, Foreign Ministry, Defense Agency, and Ministry of International Trade and Industry. Two Ground Self-Defense Force officers also joined the group.

The Diet enacted legislation June 15 that allows Self-Defense Forces [SDF] to join U.N. peacekeeping missions abroad.

Government sources said the mission will examine how to meet needs of the United Nations Transitional Authority in Cambodia (UNTAC), which includes reconstruction of roads and bridges, and infrastructure construction in the war-devastated country.

While in Cambodia, the group will meet Yasushi Akashi, head of the UNTAC, Prince Norodom Sihanouk, leader of the Supreme National Council, and Gen. John Sanderson, military commander of the UNTAC, to exchange views on Japan's assistance to the peacekeeping body.

The Japanese Government plans to send a team of peacekeepers in charge of monitoring a ceasefire in the country in September and a contingent of SDF personnel in November.

Communist Party on SDF Dispatch to Cambodia

OW0107135092 Tokyo KYODO in English 1128 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—Japanese Communist Party (JCP) leader Tetsuzo Fuwa said Wednesday that his party is opposed to the dispatch of Self-Defense Forces (SDF) personnel to Cambodia to join U.N. peacekeeping operations.

JCP Central Committee Presidium Chairman Fuwa told reporters at the Japan National Press Club in Tokyo the Khmer Rouge faction has not observed the ceasefire that is a precondition for the dispatch of SDF personnel.

The Khmer Rouge has waged sporadic battles with Vietnamese-backed Phnom Penh government forces despite last October's Paris Peace Accord on Cambodia.

On the possible future visit of Emperor Akihito to China, Fuwa said the JCP opposes such a trip because of the emperor's "nonpolitical" character in Japanese politics and his constitutional status as a symbol of the state and the unity of the people.

"The man will be treated as one of (the) politicians although he has no functions to deal with politics," said Fuwa referring to the emperor.

Chinese leaders have said they want Emperor Akihito to visit China this autumn, but Japanese Government and ruling Liberal Democratic Party (LDP) leaders have remained divided on whether the emperor should visit the world's most populous country.

On Japanese politics after the upper house election in July, Fuwa said he envisions the emergence of either a coalition of LDP and the two centrist opposition parties—the Democratic Socialist Party (DSP) and Komeito—or a unity of reformist forces.

He suggested that the reformist forces would be the JCP and the Social Democratic Party (SDP), but he said the JCP has had no contacts with Japan's largest-opposition SDP since 1980 when the SDP was promoting a political cooperation with Komeito.

Fuwa said the accord between the SDP and Komeito is still alive, and the SDP should break ties with Komeito to combine reformist forces with the JCP.

Relations between Komeito and the SDP have deteriorated over the past couple of years as Komeito has aligned its stance more closely with the LDP in policies such as the peacekeeping cooperation bill.

The bill recently became a law, paving the way for Japanese troops to be sent overseas to join U.N. peacekeeping operations.

Lower House Speaker Rejects Mass Resignations

OW2906110992 Tokyo KYODO in English 1054 GMT 29 Jun 92

[Text] Tokyo, June 29 KYODO—House of Representatives Speaker Yoshio Sakurachi on Monday rejected mass resignations submitted by 141 opposition members who tried to block passage of a bill allowing Japanese troops to join UN peacekeeping activities abroad, parliamentary sources said.

At an unofficial negotiating session among representatives of ruling and opposition parties, Sakurachi said he cannot accept the resignations of all 137 members of the Social Democratic Party (SDP) and four members of the minor opposition group United Social Democratic Party (USDP).

Sakurachi will express his official view Tuesday, they said.

The 137 members of the SDP, the nation's largest opposition party, and the four-member USDP submitted their resignations June 15 in an attempt to force Prime Minister Kiichi Miyazawa to dissolve the 512-seat lower chamber for a snap general election that would serve as a referendum on the peacekeeping cooperation bill.

The bill was enacted on that day with the backing of the governing Liberal Democratic Party and two centrist opposition parties.

The SDP and the USDP strongly opposed the legislation, which they claim violates Japan's pacifist Constitution.

Formally Relays Decision 30 Jun

OW3006062992 Tokyo KYODO in English 0601 GMT 30 Jun 92

[Text] Tokyo, June 30 KYODO—House of Representatives Speaker Yoshio Sakurachi said Tuesday he cannot accept the resignations submitted by 141 opposition members who tried to block enactment of a UN peacekeeping cooperation law, Diet sources said.

Sakurachi relayed his decision in a meeting in the Diet with Sadao Yamahana, secretary general of the largest opposition Social Democratic Party (SDP), and Shogo Abe, secretary general of the United Social Democratic Party (USDP), the sources said.

The 137 members of the SDP and four USDP members submitted their resignations June 15 in a bid to press Prime Minister Kiichi Miyazawa to dissolve the lower house for a snap general election that would serve as a referendum on a bill authorizing the first dispatch of Japanese troops abroad to join UN peacekeeping units.

The bill passed into law on that day with the support of the governing Liberal Democratic Party (LDP) and two opposition parties, Komeito and the Democratic Socialist Party (DSP).

The SDP and the USDP contend the legislation violates Japan's war-renouncing Constitution.

On Tuesday morning, talks between the various parties to discuss the handling of the mass resignation bid ended in rupture, with the LDP, Komeito, and the DSP remaining at odds with the SDP, the sources said.

In response to a report on the meeting filed by Keisuke Nakanishi, chairman of the lower house steering committee, Sakurauchi invited Yamahana and Abe to relay his view orally, they said.

The mass resignation issue is now virtually settled since the two opposition parties plan to eventually respect Sakurauchi's decision, political sources said.

SDP Chairman Makoto Tanabe later said his party will continue to seek an early dissolution of the lower house for a general election.

Noting it is extremely regrettable that Sakurauchi's decision not to permit the mass resignations goes against the will of SDP and USDP members, Tanabe vowed at a news conference to continue to strive for the general election to solicit voter opinion on the peacekeeping law.

Commenting on the interpretation of Sakurauchi's view, the SDP chairman said it can be safely said that the lower house speaker decided to turn down their mass resignation bid.

He also said he intends to protest against Sakurauchi possibly after the July 26 House of Councillors election.

Meanwhile, USDP leader Satsuki Eda told a separate news conference his party has no intention to resubmit letters of resignation because the prime objective was not a mass resignation but rather the dissolution of the lower chamber.

He said the party's next step must be worked out now that the dissolution of the lower house is impossible.

Peacekeepers, Economy To Top Campaign Issues
OW0107090692 Tokyo KYODO in English 082i GMT
1 Jul 92

[Text] Tokyo, July 1 KYODO—Possible dispatch of Japanese troops abroad as peacekeepers and measures to revive the flagging economy are likely to dominate

nationwide campaigning for the July 26 House of Councillors election, which starts next Wednesday.

Elections to replace half the 252 seats of the Diet's upper house are held every three years, with this month's poll coming just over a month after parliament enacted a law allowing Self-Defense Forces troops to go abroad for the first time since World War II on United Nations peacekeeping missions.

At stake are 126 seats vacated by legislators completing six-year terms and one left by former upper house President Yoshihiko Tsuchiya, who gave up his seat to run successfully last month for governor of Tokyo's neighboring Saitama Prefecture.

The Social Democratic Party, the biggest opposition group, and the Japanese Communist Party vowed to use the peacekeeping law, over which Japanese public opinion is split, as their main campaign issue.

Prime Minister Kiichi Miyazawa's ruling Liberal Democratic Party (LDP), regarding the law as an accomplished fact, plan to woo voters with pump-priming measures to prop up the sagging economy.

Campaigning formally opens July 8, when election commissions in the nation's 47 prefectures accept registration of candidates.

Of the 127 seats to be filled, including the Saitama by-election, 50 will be contested under a proportional representation system in which voters choose parties rather than candidates.

The United States has been pressing Miyazawa's government to work out steps to boost Japan's economy, which has suffered slowing growth since last year, against the backdrop of slumping share prices on the Tokyo Stock Exchange.

LDP Vice President Shin Kanemaru has ruled out peacekeeping as a major campaign issue, saying the government should spend as much as 10 trillion yen to prop up the economy.

At a gathering of the faction founded by former Prime Minister Noboru Takeshita, Kanemaru said the uppermost issue on the Japanese people's minds is income and the nation's economy.

Following his remarks, the governing party came up with a broad package of measures to boost the economy, a move obviously aimed at luring voter support for conservative candidates.

Miyazawa left for the United States on Tuesday en route to a summit of seven major industrial nations July 6 to 8 in Munich, ready to tell President George Bush that Tokyo plans to implement programs to stimulate the domestic economy.

The social democrats and communists, who fought the peacekeeping bill with such tactics as super-slow "ox

walk" voting on the floors of both houses, are expected to hit hard on their contention that any dispatch of Japanese troops would violate the Constitution and could drag Japan into war.

This month's election will be the first nationwide polls for Miyazawa since he assumed the reins of government last year. The LDP lost its majority in the upper house in the election three years ago amid nationwide opposition to the implementation of the government-backed 3 percent consumption tax.

But consumer revolt over the tax appears to have abated since then, prompting some LDP leaders to declare that the consumption tax will be of no major consequence this time.

The LDP lost two upper house by-elections early this year, mainly because of an alleged bribery scandal involving a former senior official of Miyazawa's faction in the party.

Prosecutors have been working on another scandal implicating a trucking company but have thus far refrained from probing politicians' activities.

Some 523 candidates are expected to run, including a baseball commentator, a TV newscaster and a former student activist.

Taking part will be more than 10 "mini-parties," political groups organized in time to field candidates in proportional representation races for the election. Each of the mini-parties must get close to a million votes to win a seat.

Latest reports show the LDP confident of winning 64 seats, a majority of the 127 at stake.

Ozawa 'Confident' About LDP Election Victory

*OW0107100792 Tokyo KYODO in English 0909 GMT
1 Jul 92*

[Text] Tokyo, July 1 KYODO—Ichiro Ozawa, the influential former secretary general of the Liberal Democratic Party (LDP), is confident that the ruling party will win a majority of the seats up for grabs in this month's House of Councillors elections.

But he said the outlook for the nation's economic future is somber.

Ozawa told foreign correspondents Wednesday that Japan's days of high economic growth are over, and that the future of the nation's economy is "quite serious."

"The past pattern of development and industrialization has reached its limit. We cannot continue to grow at as high a rate as we did in the past," he said.

Ozawa, 50, a member of the House of Representatives from Iwate Prefecture, is a senior member of the LDP's

most powerful faction and a protege of LDP power broker Shin Kanemaru, and widely regarded as a possible future prime minister.

While immediate fiscal measures such as public investment may be needed to help cope with the current economic doldrums, it is "more important to undertake measures to drastically reform the economic structure of this country," he said.

Ozawa called for a total overhaul of the economic and political structures, which he said have existed ever since the Meiji restoration of 1868, when Japan launched an all-out effort to catch up with the industrializing West.

Among his recommendations was a power shift to political circles from the bureaucracy, which has taken charge of drafting much of the legislation since World War II.

The bureaucracy, nurtured by Meiji-era politicians, has become "too powerful," Ozawa said.

Ozawa saved his toughest talk for the Finance Ministry, advising it to "shut up and stop overregulating."

"I think that the Japanese people should ... hold ourselves accountable to our own actions, and not wait for government bureaucracy to do that for us," he said.

He predicted that the flagging stock market, which hit a six-year low Monday, would not recover anytime soon because it "reflects reality."

Turning to global affairs, Ozawa indicated he would like to see Japan move toward full military participation in United Nations peacekeeping activities.

He asserted that joining in military operations conducted under the U.N. umbrella is consistent with the spirit and principles of Japan's war-renouncing Constitution.

As LDP secretary general in the months leading up to the 1991 Persian Gulf war, Ozawa was a key force in promoting legislation that would have enabled Japanese troops to provide logistical and other backup support for U.S.-led multinational forces that ousted Iraqi troops from Kuwait.

The legislation, which was met with resistance by some quarters of the bureaucracy, as well as opposition parties and the public, was rejected.

Ozawa said it may be advisable to add a phrase to Article 9 of the Constitution to clearly indicate that Japan is able to fully participate in U.N. activities.

The article states, "the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes."

Prime Minister Kiichi Miyazawa said shortly after the U.N. peacekeeping cooperation law was passed last month that dispatching troops to support war, such as in the case of the Gulf war, would pose a clear violation of the Constitution.

The peacekeeping law enables the Self-Defense Forces to perform humanitarian and nonmilitary functions in U.N. peacekeeping operations. Further legislation will be needed before Japanese soldiers can undertake more risky tasks such as monitoring ceasefires.

Watanabe 'Likely To Leave' Hospital 10 Jul

OW3006152792 Tokyo KYODO in English 1502 GMT 30 Jun 92

[Text] Tokyo, June 30 KYODO—Foreign Minister Michio Watanabe, recovering from gallstone surgery earlier this month, is likely to leave the hospital July 10 and plans to reassume his duties gradually, aides said Tuesday.

Ihei Ochi, secretary general of Watanabe's faction in the ruling Liberal Democratic Party (LDP), met Watanabe, who is also deputy prime minister, Tuesday to discuss a return to his duties, the aides said.

Watanabe wanted to return Wednesday to his duties but was persuaded to wait until the conclusion of the July 6-8 Munich Summit.

Watanabe, 68, underwent surgery June 9 at the Tokyo Women's Medical College Hospital to remove stones from his gallbladder and bile duct after complaining of abdominal pains and being admitted to the hospital May 31.

After leaving the hospital, Watanabe plans to make speeches for LDP candidates in the upcoming House of Councillors election and attend a foreign ministers' conference of Southeast Asian nations, the aides said.

His official schedule will be planned to avoid overtaxing him, they said.

Ochi later informed LDP Secretary General Tamisuke Watanuki and LDP Executive Council Chairman Koko Sato of his discussion with Watanabe, they said.

'Unlikely' To Go to ASEAN Meeting

OW0107101092 Tokyo KYODO in English 0926 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—Foreign Minister Michio Watanabe is unlikely to be well enough to travel to Manila to attend a gathering of foreign ministers on July 24-26, a top Foreign Ministry source said Wednesday.

The source said Watanabe is recovering well from his gallstone surgery early last month, but a certain period of recovery is necessary considering that the operation was a major one.

He said it remains to be decided whether Watanabe will resume his official duties immediately after leaving hospital, on a schedule that would not tax him too much, or whether he will recuperate for a while first at his home.

Aides to Watanabe from his faction in the ruling Liberal Democratic Party (LDP) said Wednesday he is likely to leave hospital on July 10 and attend the meeting in Manila.

The foreign ministers of the six-member Association of Southeast Asian Nations (ASEAN) will be gathering in Manila for annual talks on July 21-22, followed by talks with their counterparts from a number of other countries on July 24-26.

Foreign Ministry sources said it is likely that Parliamentary Vice Foreign Minister Koji Kakizawa will fill in for Watanabe at the talks in Manila.

Support for Miyazawa Rises 'Sharply' in Poll

OW0107051692 Tokyo KYODO in English 0351 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—Public support for the cabinet of Prime Minister Kiichi Miyazawa has risen sharply to 32.4 percent, according to a KYODO News Service poll released Wednesday. The poll showed an upturn in public support for the cabinet of 8.3 percentage points from the previous survey in March, although the support rate remains far below the 50.9 percent posted in the first poll after Miyazawa took office last December. The interview poll was conducted Saturday and Sunday at 250 locations nationwide among 3,000 randomly selected eligible voters, of whom 1,939 or 64.6 percent responded.

Of those who voiced approval for the Miyazawa cabinet, 35.4 percent said they support Miyazawa in the absence of suitable alternatives, while 30.4 percent said they do so because he belongs to the ruling Liberal Democratic Party (LDP). The survey found 17.4 percent said they back Miyazawa because they trust him.

But 61.0 percent of the respondents said they do not support the Miyazawa cabinet, a continuation of the high disapproval rate of 65.3 percent in the previous survey. Explaining their disapproval, 40.2 percent cited Miyazawa's lack of leadership, and 21.6 percent said he is unable to achieve political reform.

Asked which political party they support, 11.9 percent said they support no particular group, less than half the 23.2 percent of the previous poll, and the lowest percentage since the 9.4 percent posted shortly after the House of Councillors election in 1988. With official campaigning starting next week for the July 26 upper house election, the finding is thought to indicate that political awareness among voters has increased due to the enactment on June 15 of a law authorizing the dispatch of Japanese troops overseas to join United Nations peacekeeping activities.

The latest poll also showed that the support rate for the LDP has rebounded to 48.0 percent from 43.8 percent. The No. 1 opposition Social Democratic Party had a 21.7 percent support rate, up 4.0 percentage points,

surpassing the 20 percent mark for the first time in one and a half years, since December 1990. The approval rate for the No. 2 opposition party, Komeito, rose to 4.5 percent, up 1.1 percentage points, while that for the No. 3 opposition Democratic Socialist Party gained 1.4 percentage points to 4.0 percent. The Japanese Communist Party also saw a rise in support to 3.1 percent, up a scant 0.2 percentage point, and the United Social Democratic Party was supported by 1.9 percent, up a fractional 0.3 percentage point.

EPA Survey Report Predicts Economic Slowdown

OW3006113392 Tokyo KYODO in English 1053 GMT 30 Jun 92

[Text] Tokyo, June 30 KYODO—Industry officials are predicting the Japanese economy will continue to slow down, according to results of a survey by the Economic Planning Agency [EPA] released Tuesday.

The research was carried out earlier this month on 12 domestic industries.

As to when the economy will bottom out, industries such as the petrochemical and steel sectors predicted in the fall but the automobile, and housing and real estate industries said it would be later due to lingering inventory adjustments.

Such adjustments in the steel industry are proceeding relatively smoothly but petrochemical and electric machinery industries predicted it will take longer than expected.

The petrochemical industry said it may have to cut production further due to weaker-than-expected demand.

The industries said fewer overtime hours are leading to lower incomes and hence restraining personal consumption.

Many industries predicted their business performance will recover in the latter half of the current fiscal year, which started April 1.

The industries called for enhanced public works spending by the government as well as filling the vacuum created by front-loading of such spending. They also requested a further cut in interest rates.

Keidanren Calls for Fair Corporate Competition

OW3006113492 Tokyo KYODO in English 1058 GMT 30 Jun 92

[Text] Tokyo, June 30 KYODO—The powerful Federation of Economic Organizations (Keidanren) called Tuesday for realization of fair competition among corporations that does not concentrate on higher market share.

In a report released the same day, Keidanren proposed cutting work hours and reviewing business customs en route to attaining competitiveness that matches international rules.

It also called for reflecting corporate profits in dividends as much as possible.

Tokyo 'Ready' To Take Economic Support Measures

OW0107081192 Tokyo KYODO in English 0756 GMT 01 Jul 92

[Text] Tokyo, July 1 KYODO—Finance Minister Tsutomu Hata said Wednesday the government is ready to take additional pump-priming measures to shore up the domestic economy.

Hata made the remark after touring the Tokyo Stock Exchange [TSE], the first finance minister to make an inspection visit there since August 1981.

"The government budget this year is large in scale, and (the government) has decided to take additional measures in the latter half if necessary," he said.

Hata declined to disclose details of a supplementary budget to be formulated by the government later this year, but cited the initial round of economy-stimulating measures adopted by the government in March that focused on the front-loading of 75 percent of annual public works expenditures in the first half of fiscal 1992.

Hata made the trip to the TSE amid mounting calls for the government to take steps to boost slumping stock prices.

New Car Sales Rise 0.5 Percent From Year Ago

OW0107061392 Tokyo KYODO in English 0527 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—Domestic sales of new cars, trucks and buses in June rose 0.5 percent from a year earlier to 494,958 units, the first increase in 14 months, the Japan Automobile Dealers' Association reported Wednesday. The latest statistics, based on a registration basis, represent a 30.5 percent surge from the previous month, the association said. Domestic sales of new cars had been on the decline since May last year due to sluggish domestic demand amid a general economic slowdown.

An association official attributed the June increase in part to an extra half-day added to days available for car registration from a year earlier, which helped boost new car sales on a registration basis. The official said the June gain might have been a sign of a recovery in the domestic auto market, but noted that he needs data for July to judge whether new car sales are really on a recovery path.

In a trend carried over from the past several months, passenger car sales dropped 0.2 percent to 343,065 units, reflecting sluggish sales of subcompact cars. Sales of subcompact cars, which account for the majority of the

overall passenger car category, fell 4.0 percent to 275,977 units. Continuing a trend seen in recent months, sales of larger cars, or those with an engine displacement of 2001 cc or more, jumped 19.4 percent to 67,088 units, the largest sales volume ever for the month.

Sales of trucks rose 2.3 percent to 150,057 units as strong demand for small-size trucks offset weak demand for larger trucks. Sales of small-size trucks advanced 5.5 percent to a record 138,863 units, while those of larger ones dwindled 25.7 percent to 11,194 units. Sales of buses continued to fall, tumbling 12.2 percent to 1,836 units.

Construction Orders Down 20.4% From Year Ago
OW0107090892 Tokyo KYODO in English 0827 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—Japanese construction companies won 20.4 percent fewer orders in May than a year earlier, as rapidly diminishing private-sector demand dampened the upsurge in the public sector, an industrial federation said Wednesday.

The Japan Federation of Construction Contractors said in its preliminary report that its 57 member companies received 1,533.3 billion yen in construction orders in May, as against 1,927.3 billion yen a year earlier.

A federation official said the sharp yearly drop is a natural result of the current economic slowdown, which is affecting Japanese industry across the board.

Another adverse factor affecting building orders, he said, was a negative reaction to brisk orders seen in March, which is the end of the fiscal year.

Orders from the private sector plunged 32.7 percent from a year earlier to 971.3 billion yen, with those from electrical and auto industries, which are aggressively cutting their capital spending, plummeting 83.7 percent and 46.1 percent, respectively.

In stark contrast, government agencies placed a total of 507.9 billion yen worth of orders in May, an 11.6 percent year-on-year jump from 455.1 billion yen a year before.

The robust public-sector demand, the official said, stems from steady front-loading of public works projects, envisaged in the government's fiscal stimulus package unveiled in late March.

New JR Bullet Train Links Tokyo, Yamagata
OW0107051092 Tokyo KYODO in English 0343 GMT 1 Jul 92

[Text] Tokyo, July 1 KYODO—East Japan Railway [JR] Co. inaugurated a new Shinkansen bullet train service Wednesday between Tokyo and Yamagata in the Tohoku region, trimming traveling time for the 360-kilometer rail journey to two hours 27 minutes, a reduction of 42 minutes.

The service, called the Yamagata Shinkansen, uses new, smaller "Tsubasa" bullet trains and operates 14 round-trips at intervals of about an hour. The six-car Tsubasa runs on the Tohoku Shinkansen line between Tokyo and Fukushima at a maximum speed of 240 kilometers per hour. It runs on the line between Fukushima and Yamagata, which was widened to the standard gauge needed for Shinkansen services, at a maximum speed of 130 kph. Officials at JR East Japan said the cost of widening the line amounted to some 38 billion yen.

A celebration ceremony was held at Tokyo station to see off the first Tsubasa train, which left for Yamagata at 6:32 A.M. Wednesday. Deputy Transport Minister Tooru Nakamura, who attended the ceremony, hailed the opening of the Yamagata Shinkansen, saying it will "contribute greatly to balanced development in local districts in Japan."

Mongolia

'Young' Parties Plan Withdrawal Into Opposition
LD3006223392 Moscow ITAR-TASS World Service in Russian 0935 GMT 30 Jun 92

[By ITAR-TASS correspondent Dugar Sanzhiyev]

[Text] Ulaanbaatar, 30 June—The leaders of a number of young Mongolian parties announced today their withdrawal into opposition. They reported this at a news conference here today without waiting for the declaration of the results of the general election held in Mongolia on Sunday.

Today, for the second day running, news was coming in from the provinces that the Mongolian People's Revolutionary Party [MPRP], which has been in power for almost 70 years and has held the majority of seats in state and government structures since the 1990 election, has won at least 72 of the 76 seats in the future Great State Hural, the country's new single-chamber parliament. As has been pointed out, it is not known whether it will be a multiparty parliament, because it is possible that the defeated young political parties will recall their members from parliament.

The leaders of the Mongolian Democratic Party [MDP], the Mongolian Party of National Progress [MPNP], and the Mongolian United Party [MUP], which made up the "MDP-MPNP-MUP" election coalition in opposition to the MPRP, and also the independent Mongolian Social-Democratic Party, the Mongolian Renaissance Party, and the Mongolian Bourgeois Party blame their own miscalculations above all for the widely unexpected defeat of the democratic forces.

In particular, MDP Chairman M. Enhsayhan pointed out: We must all study what has happened in the country in the last two years, draw the correct conclusions, and above all join forces.

B. Batbayar, the leader of the Mongolian Social-Democrats, sees the lack of coordination of the young

political forces as their main error. We must unite and never allow our representatives to be hostages of the old system, he says, referring to yet another miscalculation of the democratic forces made after the 1990 election. Then the newly born political forces, having won many fewer seats than the MPRP, remained in the Great People's Hural and the Small Hural and even agreed to the formation of the first multiparty cabinet of ministers in the history of Mongolia.

Nevertheless, more than 40 per cent of the electorate voted for the new political formations. Our goals remain the same—human rights, a market economy and democracy, declared the speakers at the news conference, which was attended by an unprecedentedly large number of journalists.

The preliminary results of the election will become known on 4 July.

North Korea

JNCC Chairman's News Conference Reported

SK3006133292 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 30 Jun 92

[Report on news conference by North side's chairman to the North-South Joint Nuclear Control Commission (JNCC) at Panmunjom on 30 June]

[Text] The sixth meeting of the North-South Joint Nuclear Control Commission [JNCC] was held today in the South side's area at Panmunjom.

At the end of the meeting, our side's chairman gave a news conference.

He said: Our side said thanks to the DPRK's active steps, the first non-regular [pijonggi sachal] inspection of our country was recently conducted satisfactorily and successfully by the International Atomic Energy Agency [IAEA]. Through this process, the IAEA directly confirmed the truth of our statement that we do not have nuclear weapons, and we have neither the will nor ability to produce them. We are using nuclear energy for peaceful purposes. Thus, the IAEA officially announced this to the entire world.

Our side said that there are now no grounds for anyone to doubt our remarks on not developing nuclear weapons. Our side stressed that the existence or nonexistence of U.S. nuclear weapons and nuclear bases in South Korea has not yet been confirmed, and suspicion grows as time passes. Since there are no grounds for suspicion on our so-called development of nuclear weapons, what is left at present is to conduct comprehensive inspection of U.S. nuclear weapons and nuclear bases in South Korea.

Our side said: Conducting comprehensive inspection of U.S. nuclear weapons and nuclear bases in South Korea is a core issue for realizing the denuclearization of the

Korean peninsula and is a basis for North-South inspections. Our side stressed one should clearly realize that only when one assumes a correct position on this issue, can the North-South inspection be conducted satisfactorily.

Our side recalled that due to the South side's unjust position and premeditated delay tactics, the two sides at the fifth meeting failed to agree on even a date for the sixth meeting. Our side pointed out that the South side, as soon as the fifth North-South JNCC meeting ended, slandered us and carried out insidious acts of aggravating North-South relations to an extreme in accordance with its pre-written script.

Our side said: The South side has decided to withhold the implementation of the North-South agreement saying that no progress can be made in North-South relations unless North-South mutual inspection is conducted. Our side asked the South side to give a clear answer as to why the South side said that the JNCC's work had broken up, when it has not, thus withholding the North-South agreement's implementation.

Our side also said that if the South side had matched our sincerity, the necessary documents for verifying the denuclearization of the Korean peninsula would have been adopted before the end of May as the sides had earlier agreed, and that the inspection would have been under way by now.

Citing concrete facts, our side revealed that the South side had so far built artificial obstacles to the JNCC's work by coming to the meeting empty-handed without a draft agreement. Therefore, no North-South inspection could be conducted. Our side warned that the South side must clearly know that if it continuously puts an artificial brake on the joint denuclearization declaration's and North-South agreement's implementation and tries to return to confrontational North-South relations, it will be held fully responsible for all consequences that may arise therefrom. Our side also warned that the South side must clearly know that the exchange of visiting groups of elderly parents and art troupes can end in failure due to the South side.

Our side also pointed out that the South side's uncourteous action is also shown in its doubting the IAEA's inspection results. The South has begged the United States and Japan to take joint measures to ensure that what is called mandatory inspection [kangjesachal] be conducted. Our side added that this can in no way be overlooked. Our side also pointed out that the world's people who love justice and peace know very well that the second nuclear commotions by the South side are maneuvers to use the nuclear issue to turn the international arena into a stage of North-South confrontation, thus pouring cold water over improving DPRK-U.S. relations and DPRK-Japanese relations. Our side strongly urged the South side to stop its foolish toadyist act of trying to solve problems by enforcing something on us through the strength of big countries.

Our side asked that the South side, squarely seeing reality and freeing itself from its incorrect attitude and position, sincerely implement the joint denuclearization declaration and the North-South agreement, which have already been made public throughout the world. Out of a desire to advance the JNCC's work, which has been deadlocked, our side made a new proposal to the South side. First, we proposed that an agreement for implementing the joint denuclearization declaration be adopted at once; second, issues be discussed in an order stipulated in the Agreement on the Formation and Operation of the JNCC; third, the rules of inspection be mapped out by making Paragraphs 2-7 of Clause 2, which stipulate the JNCC's functions, separate chapters.

Our side revised on a large scale the draft of inspection regulations, which we previously put forward, on verifying the denuclearization of the Korean peninsula. Our side again presented this revised draft.

On the other hand, the South side slandered us by stating that the IAEA's inspection was limited from the beginning and that there is a possibility that we hid nuclear reprocessing facilities, and so forth. Furthermore, the South side insisted on inspections of general military bases and civilian facilities, as well as a special inspection—unjust assertions it had previously made—and made very provocative remarks that if these inspections are not realized, there cannot be any progress in North-South relations.

Concerning these remarks, our side said that through the South side's remarks, we clearly realized that they are not even slightly interested in implementing the North-South agreement and joint denuclearization declaration. They are also not interested in North-South nuclear inspections and the South side is merely maneuvering to justify and legalize its unjust assertions. Our side pointed out that picking a fight over the IAEA's inspection of us is a foolish act to blemish the IAEA's authority.

Our side stressed that the South side's claim, which distorted the truth by stating that the responsibility for the failure of North-South nuclear inspection rests on someone else, is the same as a thief calling, "Stop thief!" Our side then made it clear that the one who proposed the denuclearization joint declaration, who designated the title of the North-South JNCC, and who proposed the North-South nuclear inspections, was none other than our side. Our side said that the blame for not conducting the North-South nuclear inspection should be entirely directed at the South side. The South side has up to now failed to present the implementation agreement while adhering to delay tactics. It merely put forward an unsophisticated plan which omitted such core issues as U.S. nuclear weapons and nuclear bases in South Korea from nuclear inspection regulations.

Our side asked the South side's chairman why did he attend the party-government joint conference on 20 June and why did he decide to withhold the implementation of the North-South agreement unless the nuclear issue is

resolved? Our side also asked why does he doubt the international inspection of us—fellow countrymen—even after claiming that he affirms IAEA's inspection results of other countries.

To these questions, the South side avoided giving clear answers. Our side warned that the South side should clearly realize that following the commotion on nuclear issues, which the United States wages as a necessity, is an act of a flunkeyist who has failed to live with his own spirit.

Summing up the meeting, our side urged the South side to bring to the next meeting without fail the implementation agreement on the denuclearization joint declaration and to deeply study the forward-looking inspection regulations which we presented today.

The two sides agreed to hold the seventh meeting on 21 July.

ROK Berated for Taking 'Road of Confrontation'

*SK0107052792 Pyongyang KCNA in English
0455 GMT 1 Jul 92*

["Challenge to Desire for Peaceful Reunification"—KCNA headline]

[Text] Pyongyang July 1 (KCNA)—The chief executive of South Korea recently called for "continued maintenance and development of a firm security posture", alleging that the North is "keeping a large-size military strength" after setting 1995 as the year of reunification.

The "Defence Ministry" of South Korea let out a string of separatist and bellicose words, crying over fictitious "military threat from the North."

Those utterances show that the South Korean authorities intend to keep to the road of confrontation, throwing away the historic documents agreed upon and adopted between the North and the South like sheets of waste paper, NODONG SINMUN today stresses.

The news analyst continues:

It is our consistent stand to reunify the country by peaceful means, not by war, however urgent the reunification may be.

Widely known are the sincere efforts we have made for the solution of the problem of nonaggression, attaching primary importance to the military issue at the North-South high-level talks. Nonaggression is the core of the North-South agreement and it must be observed under all circumstances.

The North and the South, having agreed upon nonaggression, should stop arms race and carry out disarmament.

Even after the adoption of the North-South agreement, the South Korean authorities are scheming to continuously increase the military spendings, far from solving the urgent problem of disarmament on the Korean peninsula, and stepping up war exercises together with the

U.S. imperialists while introducing all kinds of combat equipment including submarines.

Facts prove that although the South Korean authorities pay lip service to "reconciliation," "unity" and "unification", they do not want reconciliation and unity of the nation and peaceful reunification but dream of "unifying the country by prevailing over communism and by absorbing the North."

Paper Says South 'Currying Favor' With Japan

SK3006124292 *Pyongyang KCNA in English*
1017 GMT 30 Jun 92

["Pro-Japanese Treachery Under Fire"—KCNA headline]

[Text] Pyongyang June 30 (KCNA)—The North recently proposed to the South to expose the illegality of the treaties forced upon the Korean people by the Japanese imperialists in the past and take a joint action against them. The South Korean authorities, however, said that they "have nothing new to raise to the Japanese side" because a "basic treaty" was signed between South Korea and Japan in 1965.

MINJU CHOSON today brands the untenable refusal of the South Korean authorities to accept the North's reasonable proposal as unpardonable pro-Japanese flunkeyist treachery to gain something by currying favor with the Japanese reactionaries.

The analyst says:

To throw a revealing light on the illegality of the treaties forced upon old Korea by the Japanese imperialists is a crucial matter in setting right the Korean history violated, distorted and forged by them and defend the dignity and interests of the nation. This is a common task of the nation that must be carried out by the whole nation, not by the North or by the South alone.

But the South Korean authorities turned down the North's reasonable proposal. This shows that they have not renounced the mode of thinking and stance of the old era when they confronted fellow countrymen in reliance upon outside forces.

This proves that the South Korean authorities are clean indifferent to the dignity and interests of the nation and attach more importance to collusion with outside forces than to unity with fellow countrymen.

The South Korean authorities, though belatedly, must show an affirmative response to the North's righteous proposal concerning the dignity and interests of the whole nation.

Technical Shock Brigades Fulfill Innovation Plans

SK3006225592 *Pyongyang KCNA in English*
1500 GMT 30 Jun 92

[Text] Pyongyang June 30 (KCNA)—The "April 15 technical innovation shock brigades" at industrial establishments of Korea have fulfilled their technical innovation plans for the first six months of the year ahead of schedule.

In this period more than 60,000 technical innovation proposals have been applied to production.

As a result, 10 million man-days' labor, 115 million kwh of electricity, 26,900 tons of steel, 130,000 tons of coal, 8,000 tons of mil and 12,000 cubic metres of timber have been saved and signal successes registered in production and construction.

The Hochongang power station made a new water wheel and a resin-covered wire and thus raised the efficiency of the water wheel 3.1 percent. This helped increase power production by 150 million kwh a year.

The February 8 Chikdong youth coal mine has raised the first-stage extraction rate 1.5 to 2 times by widely introducing an efficient coal cutting method and the Sinri coal mine has trebled production by introducing a new-type muck loader at a tunnelling face.

The Pyongyang textile machine factory has contrived and manufactured a modern full-width pneumatic shuttleless loom, which makes it possible to increase the number of rotation by 150.

South Korea

DPRK Messages on 'Pan-National Rally' Refused

SK0107091692 *Seoul YONHAP in English*
0856 GMT 1 Jul 92

[Text] Seoul, July 1 (YONHAP)—South Korea has refused to accept messages from North Korea concerning two outlawed rallies being organized by anti-government groups in the South.

Kang Yong-hun, president of the Korea National Red Cross, sent a telephone message Wednesday to Yi Songho, acting chairman of North Korea's Red Cross Society, informing him that telephone messages from the North in connection with such Aug. 15 events as "pan-national rally" would be rejected.

"We cannot accept your request for exchanging telephone messages in connection with the pan-national rally and the inter-Korean youth and student festival for unification since this won't help improve inter-Korean relations," Kang said in his message.

He noted that the two governments had never reached any accord on holding the two events, being promoted by anti-government groups in South Korea and a North Korean organization.

Yun Ki-pok, chairman of the North Korean Committee for the Pan-National Rally, proposed a working-level contact at the truce village of Panmunjom on Friday [3 July] to discuss the procedures for a North Korean delegation to attend events in a telephone message Tuesday addressed to South Korean Deputy Premier and Unification Minister Choe Yong-chol.

Assembly Leaders Meet, Disagree on Major Issues

*SK0107093092 Seoul YONHAP in English
0822 GMT 1 Jul 92*

[Text] Seoul, July 1 (YONHAP)—The National Assembly is scheduled to resume its first session in two days, but the prospects for normal operation remained murky Wednesday as the ruling and opposition parties stood miles apart on major issues, including the local elections.

Floor leaders of the three parties met Wednesday and discussed the formation of a special apparatus to coordinate negotiations for political legislation.

The formation was proposed Tuesday at a floor leaders meeting mediated by Speaker of the National Assembly Pak Chun-kyu in an effort to bring a breakthrough for the deadlocked Assembly over elections of provincial governors and city mayors.

Wednesday's meeting, however, broke up without any concrete result as the main opposition Democratic Party (DP) had what ruling party officials said was a negative attitude.

The DLP [Democratic Liberal Party] also proposed that the National Assembly decide on a 30-day first session from Friday and approve the appointments of Choe Chong-yong as a Supreme Court justice and Kim Yong-chun as head of the Board of Audit and Inspection.

But the Democratic Party rejected all but the 30-day duration of the plenary session.

Meanwhile the DLP held a conference of senior working-level party officials and decided to try and bring the National Assembly onto a normal parliamentary track as soon as possible by flexibly dealing with opposition over the local election issue.

The conference then named Hwang In-sung, chief policy-maker, and two other members to represent the ruling party at the coordinating apparatus in its negotiations with the opposition parties.

The Unification National Party also decided to positively take in the coordinating apparatus. Its floor leader, Kim Chong-nam, said his party was contemplating a meeting between party leader Chong Chu-yong and DLP Executive Chairman Kim Yong-sam for normalization of the National Assembly.

Kim indicated that the Unification National Party is trying to separate political negotiations from operation

of the National Assembly. He said that the Democratic Party could not escape criticism for pursuing selfish motives if it continued to refuse to cooperate for normalization of the Assembly.

However, the Democratic Party said it believed that the formation of a coordination apparatus was proposed by the DLP with an aim to postpone the local elections.

The DP cannot but withhold its decision on the coordinating body until the ruling party makes it clear about its intention on the local elections.

Elsewhere, Kim Tae-chung, presidential candidate of the Democratic Party, said Wednesday that, if elected, he would realize broad-based politics without political retribution.

Speaking at a debate held at the press center, Kim said he will also form a broad-based cabinet and establish the political neutrality of the military.

U.S. Share of Agriculture Market Decreasing

*SK0107055092 Seoul MAEIL KYONGJE SINMUN
in Korean 29 Jun 92 p 19*

[Text] Although the imports of agricultural produce have been rapidly increasing since agricultural and fishery produce imports were liberalized under pressure of the United States and other advanced Western countries, the market share of U.S. agricultural produce has been conspicuously decreasing in the ROK.

This is noteworthy as it reflects the fact that countries other than the United States are benefitting from the opening of the ROK market more than the United States. According to the Ministry of Agriculture and Fisheries and the Korean Foreign Trade Association, the U.S. share of the ROK's imported agriculture and fisheries market decreased to 33 percent in 1991 from 43 percent in 1990, 43.5 percent in 1989, and 42.8 percent in 1988. In the first quarter of 1992, the share dropped to 24.8 percent.

This decrease resulted from the rapid increase in the imports of farm produce from China with the opening of market for imported agricultural and fishery produce and the improvement of relations with China. The factors contributing to the rapid increase in agricultural and fisheries imports from China are its relatively low prices, its lower freight charges, and a shorter delivery time because of the shorter geographical distance between the two countries. In the case of corn, imports in 1990 amounted to \$719 million from the United States with imports of only \$105 million from China. In 1991, however, imports from the United States decreased to \$233 million with imports of \$432 million from China. In the first quarter of 1992, the imports from the United States were \$43 million compared to imports of \$139 million from China, three times as much as the U.S. share.

In the case of (?chipping wood) [chipsang mokchae] which is used as raw material for particleboard, the U.S.

exports to the ROK in 1990 amounted to \$10 million, with a market share of 92.4 percent; in 1991, with the initiation of imports from China, the Chinese market share soared to 34.4 percent, resulting in the shrinkage of imports from the United States to \$6 million.

As for raw cotton, the U.S. exports to the ROK in 1990 amounted to \$513 million, holding a market share of 65.4 percent. China began to come into the market in 1990 with a market share of 5.5 percent. China's market share increased to 11.4 percent in 1991, resulting a decrease in U.S. market share to 52.1 percent, which was \$427 million in value.

In the case of resin, an emulsifying agent for the production of synthetic rubber, the resin of U.S. origin was \$985 per ton, while resin of Chinese origin was \$750, which naturally made the ROK importers turn from the United States to China.

As for beef, whose market the ROK opened under U.S. pressure, Australia held a share of 52.8 percent in the ROK in 1991, with the U.S. share only 36.0 percent, despite the ROK Government's special effort to increase imports of U.S. beef. If the beef market is completely opened, thus opening the market to China as well, China is expected to hold the highest market share because of its far lower export price for beef.

Government Plan To Boost Competitiveness Detailed

SK0107042392 Seoul YONHAP in English
0306 GMT 1 Jul 92

[Text] Seoul, July 1 (YONHAP)—The government, to help boost the competitive strength of industry, plans to encourage the construction of industrial facilities by simplifying procedures and removing restrictions on the use of farm land.

The government will ease restrictions on foreign currency loans, raising the ceiling to 4 billion U.S. dollars from the current 1 billion dollars to help increase investment in plant and equipment by industrial companies.

For small- and medium-sized industrial companies, the government will provide other sources of foreign loans, increase the discount rate on commercial bills and ease credit guarantees and grant temporary exemptions for corporate and individual earnings taxes.

These are gist of the government plan for the enhancement of industrial competitiveness reported Wednesday by Deputy Prime Minister Choe Kak-kyu to President No Tae-u. The meeting was attended by some 250 business and labor leaders and representatives of political and civic organizations.

At the meeting, President No instructed Finance Minister Yi Yong-man to accommodate small companies by granting discount rates on their commercial bills as much as they want. The government raised the ceiling for the discount rate last week, but not enough, No added.

With regard to credit guarantees, No said the government should study the possibility of making more money available to trust guarantee institutions.

In his report, Choe, who is also economic planning minister, said the government would work out measures to insure manpower for growing and export-oriented smaller companies. It would also try to help ease the credit squeeze on these companies, he said.

In connection with the labor shortage, Choe said the government would increase the number of science and engineering students at colleges and universities by 4,000, and by 9,000 for junior colleges of engineering next year. It will also encourage enrollment in vocational and commercial high schools while investing more money for engineering training of students at ordinary high schools.

For the promotion of technological developments, Choe said the government spent 124.7 billion won for the year ending June 30 on 586 industrial projects proposed during the second half of 1991. The government will complete its deliberations on 267 new projects by the end of July.

The government will launch a finance company for technological development in July, expanding its funds from 150 billion won to 500 billion won, Choi said.

In another step to support smaller companies, Choe said the government plans to enlarge the 10 trillion-won fund for credit guarantees for the companies that could not put up collateral. It will increase a 1 trillion won industrial restructuring fund for smaller companies.

Industrial, Export Policy Changes Proposed

SK0107101292 Seoul YONHAP in English
0909 GMT 1 Jul 92

[Text] Seoul, July 1 (YONHAP)—The government will seek to restructure industry to adjust to recent changes in the makeup of exports, including the rapidly declining share of sales to advanced nations.

It will promote investment in North America and the European Community to overcome the disadvantage of being an outsider, and encourage manufacturers of export items that are declining in competitiveness to go to such regions as Southeast Asia, Russia, and Vietnam for detour exports.

The government will promote joint ventures by Korean parts manufacturers and assembly companies in foreign countries, and expand overseas investment capital to secure manufacturing bases.

These proposals were contained in a report by Trade and Industry Minister Han Pong-su to an inter-ministerial meeting presided over by President No Tae-u Wednesday.

Han said he would create a 50 billion-won overseas market development fund by 1996, expand the export insurance fund and ease the conditions for deferred export financing.

He said he would also develop export markets for such advanced technology products as time-division exchange and enlarge the economic development cooperation fund to actively help the developing countries to industrialize.

To build a comprehensive marketing structure that meets international needs, the government will make it easier for general trading companies, which account for 40 percent of Korea's exports, to raise capital for cooperative overseas investment with small- and medium-sized businesses.

It will allow joint trademark development and product planning, and the establishment of overseas distribution networks.

Han said that the structural modernization would give emphasis to the production of goods with higher added-value and expedite investment in robotics, computer, and numeric control systems.

\$10 Billion in Exports Lost Since 1988

*SK0107094992 Seoul YONHAP in English
0835 GMT 1 Jul 92*

[Text] Seoul, July 1 (YONHAP)—South Korea lost an estimated 10 billion U.S. dollars in exports from 1988-1991 to goods from China and Southeast Asian countries, Trade and Industry Minister Han Pong-su said Wednesday.

The share of made-in-Korea goods in the United States, Japan and the European Community (EC) fell 2.4 percent from 1988-1991, Han said in a report to an inter-ministerial meeting presided over by President No Tae-u.

The six members of the Association of Southeast Asian Nations (ASEAN) cost Korea 4.86 billion dollars in lost exports of electronic and electric products, footwear and garments to the United States, Japan and the EC, Ministry officials said.

China-made clothes, footwear and electronic goods ate away 2.71 billion dollars in exports to the United States and EC and brisker trade by ASEAN members cut Korea's exports to the U.S. and EC markets by 2.33 billion dollars, they said.

Buyers in industrialized countries were switching their import sources to Korea's competitors and Korean goods were fast disappearing from department stores and supermarkets in the United States and EC.

Only 32.4 percent of light industrial products made in Korea are exported with their own brand names.

Japan made an outstanding advancement into the ASEAN countries and 56 percent of goods produced by

Japanese firms in the region were exported to other parts of the world and 22 percent to Japan, Han said.

Exports to the United States, Japan, and the EC accounted for 68.5 percent of Korea's exports in 1988 but just 56.5 percent last year.

Exports to the U.S. market grew an average 25.8 percent a year from 1986-88 but recorded -4.1-percent growth last year. In the first five months of this year, exports to America edged up a meager 0.3 percent.

Exports to Japan registered 38.2-percent growth in 1986-88 but tumbled to a 5.8-percent growth in January-May this year. Exports to the EC expanded 37 percent annually in 1986-88 but recorded 9.2-percent growth in the five-month period.

Han said Korean products had lost competitiveness in their major markets due to high wage hikes and a surge in material and distribution costs since 1987.

A tendency among Korean workers to enjoy leisure and avoid hard work, and a slackened work ethic had resulted in a rise in faulty products, he said.

The rate of goods failing export standards rose from 3 percent in 1988 to 5.3 percent last year, and was 4.3 percent in the first five months of this year.

KEB, Foreign Banks Argue Over Service Fees

*SK0107035992 Seoul THE KOREA TIMES
in English 1 Jul 92 p 10*

[By staff reporter Yi Chang-sop]

[Text] The Korea Exchange Bank (KEB) has been locked in a dispute with foreign banks in Korea over the collection of foreign currency clearing service fees.

KEB recently notified 15 small-size foreign banks in Korea of its decision to collect service fees for foreign currency clearing services.

Many foreign banks which have enjoyed "free of charge" foreign currency services from KEB, threatened to suspend business with KEB and open accounts with the other foreign currency clearing banks.

Many foreign bankers argue that KEB is seeking to collect service fees for foreign currency clearing business by taking advantage of its monopoly position.

However, KEB countered that it is only reasonable the clearing bank demands service fees, adding that it had spent huge amounts of money on establishing a computer network and training manpower for the foreign currency clearing services.

KEB has asked foreign banks to keep a minimum amount of foreign currency with the bank or pay service fees to justify KEB's clearing service costs.

Since its foundation in 1967, KEB has been the nation's only foreign currency clearing bank for 120 banks, including Korean banks and foreign banks in and out of Korea.

Prior to its privatization last year, KEB handled the service without fee. As a state-run bank, KEB did not pay attention to maximizing profits. A KEB official said KEB is not a "charity organization."

But since last year, KEB became one of the leading commercial banks and it must stand on its own feet to survive the looming competition. KEB President Hong Chae-hyong initiated a drive to find out "gray areas" that can contribute profits to the bank.

As a result of the profit-oriented business strategy, KEB has told foreign banks to pay for foreign currency clearing services or keep a minimum amount of foreign currency deposits with the bank.

Most big-size foreign banks in Korea have no trouble in meeting KEB's demand but about 15 small-size foreign banks have to pay service fees for foreign currency clearing business or increase the minimum amount of foreign currency deposits with the KEB.

Many disgruntled foreign banks argue that they will switch to the other Korean and foreign banks for foreign currency clearing services. But in reality, no bank is willing to initiate the clearing service without fee.

A KEB official said initial spending is necessary to take on the role of a foreign currency clearing center for all the banks in Korea. He added that KEB has no intention of "monopolizing" the clearing service.

Just 25 years ago when KEB was set up, there was no other Korean bank which could deal in foreign currency clearing services. Both Korean and foreign banks also found it easy and convenient for them to clear foreign currency settlement through KEB.

As a matter of practice, KEB came to monopolize the business.

Big foreign banks, including Citi-bank in Korea, said that KEB's action appears to be reasonable, adding that many foreign banks in other countries also demand service charges.

Japan Considering Using ROK Construction Firms

SK0107093592 Seoul YONHAP in English
0439 GMT 1 Jul 92

[Text] Seoul, July 1 (YONHAP)—The Japanese Government will recognize the records of overseas performance by South Korean construction companies, opening the way for Korean participation in Japanese projects, the Construction Ministry said Wednesday.

If the Korean construction companies are allowed to build in Japan, they will contribute to the nation's efforts to improve a bilateral trade imbalance heavily in Japan's favor, the Ministry said.

At a meeting last week of the fourth South Korea-Japan Trade and Industrial Technological Cooperation Committee, Japan notified South Korea on its decision, enabling Korean construction companies to bid for Japanese public projects.

Japan will judge the ability of South Korean construction firms based on the records of performance in overseas projects as it has been doing with U.S. companies, Ministry officials said.

As a result, South Korea could not only export service of construction companies but also materials which are relatively cheaper than those in Japan, the officials said.

ROK-Japan Plan To Balance Trade Announced

SK0107041392 Seoul YONHAP in English
0151 GMT 1 Jul 92

[Text] Seoul, July 1 (OANA-YONHAP)—South Korea and Japan announced an "action plan" Wednesday under which they will each establish foundations for industrial and science technology transfer, Japan will expand its market for Korean products and their businessmen will form a bilateral economic forum.

The plan, roughly divided into 10 parts, was initialed in Tokyo at working-level talks. It will be formally signed soon by Korean President No Tae-u and Japanese Prime Minister Kiichi Miyazawa.

The plan, announced simultaneously in Seoul and Tokyo by the Foreign Ministries, was produced after No and Miyazawa agreed in their January summit that the two countries must take action to correct the heavily-skewed trade imbalance in Tokyo's favor.

Foundations will be established separately in each country by the end of this year by the private sector with 1 billion yen (8.3 million U.S. dollars) provided by each side.

Each side will put up 600 million yen (5 million dollars) for industrial and science technology cooperation projects.

Korea originally hoped for a 200 million-dollar foundation set up in Tokyo, rather than one in each country, with Japan paying 75 percent of the costs.

A consultation channel will be formed through the Korea-Japan economic council to decide on the projects and the funding.

To promote industrial and science technology cooperation, the two countries are to hold regular workshops to exchange information and designate counterparts between Japanese and South Korean science organizations and research centers.

Specific projects include cooperation in intelligent manufacturing, real-world computing and human frontier science program, according to the action plan.

To expand Japanese markets for South Korean goods, Japan is to open trade fairs and arrange various campaigns to spur imports of Korean products.

Tokyo is to send three officials to Korea to find products that can be sold to north Korea, conduct joint research with Seoul for third-market entry, and simplify inspection guidelines for Korean exports to Japan.

The bilateral businessmen's forum will consist of 10 senior industry leaders from each side and discuss problems in rectifying the trade imbalance. The discussions will be reported to the country's top leaders.

Japan, in return, can engage in export activities through its general trading company branches in Korea.

Korea agreed to start negotiating intellectual property rights with Japan from this month, a response to Tokyo's demands that it be given same rights Korea gives to the United States and the European Community.

Japan's tariff reduction for Korean products, ranging from 15 percent to 20 percent, was not formally listed as an action plan agenda item, but Tokyo agreed to give it special consideration at the Uruguay Round talks, officials said.

Japan also agreed to recognize Korean construction companies' performance records in other countries, which will eventually open Tokyo's construction market to Seoul companies.

Japan requires "pre-qualification" for construction firms to bid on building projects. It had refused to recognize performance records in countries other than Japan as pre-qualifications, closing the market to Korean firms.

The action plan was announced just a day after the June 30 deadline passed for the two countries.

Negotiations continued to 6 A.M. Wednesday before the text was ready for initialing in Tokyo.

The plan reflects growing concern here about the undiminished trade deficit with Japan. Last year's figure showed Korea 8.8 billion dollars in the red against Japan, compared to 6 billion dollars in 1990 and 3.9 billion dollars in 1989.

January-April figures this year show a 3 billion-dollar deficit.

Kim Tae-chung Advocates Free Market Economy

SK0107030492 Seoul THE KOREA HERALD
in English 1 Jul 92 p 2

[By staff reporter Sin Yong-pae]

[Text] Veteran opposition leader Kim Tae-chung says he is nothing but an avid advocate of free market economy.

The Democratic Party [DP] presidential candidate pledges to restore market functions free of government interference to overcome the nation's economic hardship.

Kim contends that the economy of South Korea has been tightly controlled by the central government, which is obstructive in almost every aspect of economic decision-making, including pricing, investment allocation, credit rationing and labor-management relations.

He says that such interventions have often been politically motivated, stunting the growth of small and medium-sized enterprises and causing stagnation of economic development.

"A corollary of the principle of reliance on the market mechanism is needed to promote the competitive function of the market," says Kim.

His economic philosophy is based on a "mass-participatory economy" which allows all groups—entrepreneurs, workers, farmers and consumers—to take full advantage of the opportunities provided by the free market.

The DP leader asserts that his economic development program should not be confused with a socialistic development program.

He emphatically rejects socialism, saying that either partial or complete state ownership of the means of production inevitably lead to inefficiencies, invite corruption and increase the likelihood of dictatorship.

"It is my belief that socialism is not conducive to individual creativity and responsibility," says Kim, describing himself as a "central-rightist."

Under the past authoritarian regimes, Kim used to pitch for equal distribution of wealth between classes to realize social justice.

At that time, such an attitude used to be criticized as anti-business, pro-labor and even socialistic by some critics.

As time goes by, however, the 67-year-old opposition leader is turning his eyes on price stability, promotion of small and medium-sized firms, peaceful relations between labor and management and strengthening of domestic technological levels—moves which he says are needed to overcome the economic difficulties facing the nation.

Kim views that the national economy is in serious trouble as it has been plagued by high inflation, dwindling exports and a sharp increase in company failures.

Kim says that the nation's labor-intensive products are being challenged by those from less developed nations and technology-intensive goods are pushed aside by more advanced nations' exports.

He believes that the present economic crisis has been caused by the government and its party's on-again off-again economic policies.

"If we make the further mistake of entrusting our affairs to the ruling party for another five years, we will not be able to see healthy economic development," he insists.

The most urgent task, he says, to put the ailing national economy on the right track is to arrest inflation. Kim says he will do all he can to curb prices to 3 percent annually.

"The price increases are so outrageous that people are afraid of shopping. Unless inflation is arrested, I think we can't bring about economic development," he says. Even if the nation's economic development comes to a standstill for a few years, he says his government would stabilize inflation to the level of 3 percent.

To attain the goal, he emphasizes that the government should limit and reduce its expenditure to stabilize the money supply at an appropriate level.

At the same time, it is necessary for the government to curb its outlays for pork-barrel projects and "unnecessary" large-scale projects such as the planned high-speed railway linking Seoul and Pusan.

Charging that monopolistic and oligopolistic businesses have tended to collaborate with the ruling class to concentrate market power, Kim says his administration will make massive efforts to promote small and medium-sized firms.

He alleges that the concentration of market power by big business groups has not only hindered the growth of small and medium firms but also worsened income distribution.

He says Taiwan, which has much less economic concentration, is rapidly moving ahead in competition with South Korea.

Contending that the past dictatorial governments had promoted big businesses rather than small and medium companies, Kim says they are not so efficient as their smaller competitors.

"Smaller companies should be the driving force of our economic development," he says. Kim once headed a small shipping company in his hometown, Mokpo.

He says the ruling party has no choice but to continue favoring conglomerates because they are the main source of political funds.

Kim advocates smooth relations between labor and management, dispelling fears that he would stimulate union movement. He says he will strive for amicable labor-management relations as prevailing in Japan and Germany.

He says he is not a Peron, a one-time Argentine president who egged on laborers to advance his political gains.

"It is wrong to think that I would pit employees against employers," Kim stresses.

Kim vows to put a "real-name transaction system" into effect within a year after his party comes to power in an effort to root out real estate speculation and deal a hard blow to the underground economy. The government had planned to introduce the controversial scheme under which only real names are used in all financial transactions, but called off it with the aim of ensuring stability for the stock market.

Burma**Various Groups Speak at Coordination Meeting****National League for Democracy Views**

*BK0107063592 Rangoon Radio Burma in Burmese
0934 GMT 30 Jun 92*

[Speech by U Aung Shwe, leader of the National League for Democracy—NLD—delegation, at the coordination meeting in the President's House compound on Ahlone Road in Rangoon on 30 June—recorded]

[Excerpts] With the approval of the chairman of the meeting, the National League for Democracy [NLD] will present matters that should be discussed. The NLD extends its warm wishes for physical and mental well-being to you, Mr. Chairman; members of the Steering Committee; and representatives from among the elected representatives of the political parties, which were duly elected in accordance with the election laws from the Shan Nationalities League for Democracy, the National Unity Party, the Union Pa-O National Organization, the Mro or Khami National Solidarity Organization, the Shan State Kokang Democratic Party, and the La-hu National Development Party; and independent elected representatives, who attended this coordination meeting on the convening of the national convention.

This coordination meeting is being held in accordance with the slogan of the state government, which states that the emergence of the state constitution is the duty of all citizens of Burma. It is also being held in accordance with the noble desire of the State Law and Order Restoration Council [SLORC], which wants the emergence of a constitution and, in accordance with democratic principles, to transfer state power as soon as possible back into the hands of the original owner, which is the people. This coordination meeting is laying the foundation for the emergence of a constitution. That is why this coordination meeting should be labelled an important meeting for the benefit of the citizens and various national groups, and for democracy.

The NLD has been formed for national causes, and since the issue of convening a national convention in this coordination meeting is a national cause, I will sincerely and openly discuss the NLD's views and suggestions for the holding and successful completion of a national convention, and for the emergence of a firm constitution. [passage omitted]

Food, clothing, and shelter are the most fundamental survival needs for every human being. Every individual wants to satisfy these needs with dignity and pride. The people are waiting in anticipation for satisfaction of these needs in their political, economic, and social lives. In reality, the means to satisfy these needs clearly exist in society. The means are there, and if they are not, there is surely something wrong somewhere. That is why things must be changed. Things that need to be changed should

be changed and we are responsible for changing them in a righteous way, with courage and integrity.

The standard of living is a real driving force in fulfilling these needs and in being truly beneficial. That is why I would like to say that this coordination meeting has planted a seed and driving force in fulfilling these needs. It is more appropriate if this coordination meeting is considered a meeting that will ultimately coordinate and try to solve all the family matters of the people residing in the mother country. That is why the NLD values this coordination meeting. [passage omitted]

To consider the matter of delegates in a convention where a national cause will be discussed, organizations should be allowed to be represented. Two representatives should be invited from each central organization; one representative each from state, division, and township organizations, where there is one, should also be invited. Concerning elected representatives, the elected representatives have been elected by the people in accordance with the election law. The elections in this country have been labelled by other countries as free and fair, which is dignifying for the country. Furthermore, Paragraph 20 of SLORC's Declaration No. 1/90 stipulates that consequently, under the present circumstances, the representatives elected by the people have the responsibility to draw up the constitution of the future democratic state. I suggest that all elected representatives be chosen as delegates to the national convention. I estimate that about 377 elected representatives remain.

Delegates from national groups refer to those nationals who reside in the seven states and seven divisions. What I would like to suggest is if an elected representative from a constituency is not from a national group, then two each from a township should be selected. If an elected representative in a constituency is a national group member, then he should be considered as both a delegate from elected representatives and a delegate from a national group. Many national groups reside in a single township in all the seven states and seven divisions. Two delegates each should be chosen from each of these townships. Delegates from the various national groups should be the ones accepted by them.

As for peasant delegates, the peasants constitute about 80 percent of the population and earn their livings in agriculture. The entire populace is dependent on their farm products. Moreover, the state's economy is also based on agricultural products. Thus, it is suitable to choose one delegate from each township. If an elected representative is a peasant, he should be considered both an elected representative and a peasant delegate.

I would like to make a suggestion on worker delegates. Presently, most workers are employees and reside in towns. Furthermore, they are administered by the Ministry of Labor and it is appropriate for the Labor Ministry to choose the delegates. Roughly 30 delegates should be sufficient.

Concerning technicians and professionals, a medical association, dental association, journalists association, motion picture organization, music organization, theatrical organization, bar council, painting and sculpture organization, traditional medicine organization, and nurses association already exist. Thus, based on these associations, one delegate from each association should be invited.

Moreover, there are university professors who are able to give good advice that would prove beneficial to the country. All university professors or heads of department, including retirees and professors in the medical field, should be invited.

Those who are not represented in public organizations—such as teachers from universities and schools, engineers, doctors, veterinarians, scientists, and writers—should also be considered and selected as delegates. I suggest about 50 delegates from these categories.

Concerning governmental organizations, the right way is to select delegates based on the ministries, Central Court, Attorney General's office, and Auditor General's office. But the ministries differ slightly from each other. For instance, in the Defense Ministry there is the Army, Navy, and Air Force, and their forces are scattered around the country. The commands and divisions are also serving the responsibilities of the country. There is also an armed organization, the people's police force, in the Home Ministry. About 200 employee delegates should be proposed for ministries and offices including such diverse organizations.

In the case of other persons who should be invited to the National Convention, I suggest about 50 delegates should be selected from among the personnel from the defense forces, who participated in the independence struggle in Burma; personnel from political organizations; personnel involved in political, economic, administrative, foreign, and educational affairs; members of the thirty comrades; participants in the Panlong Conference; people who could give good advice to the country; former leaders of the country; prominent people in Burmese history; people who took part in the drawing up of the 1947 and the 1974 constitutions; and people whom local people consider prominent citizens. Moreover, personnel from the War Veterans Organization should be invited because they participated not only in the colonialist struggle, the fascist revolution, and national liberation, but were also involved in national reconstruction, national unity, and defense matters. Thus, five delegates should be selected as convention delegates.

There are also youth to be considered, and people between the ages of 21 and 31 should be considered youths. In choosing youth delegates, due consideration should be given to females because they are also capable of working in national politics and the youth of today are

potential leaders of tomorrow. Thus, two female and youth delegates should be selected from each state and division.

Some females and youths are involved in the formation of some political parties in the female and youth departments of those parties. I propose that some delegates be chosen from among them. Students who have reached 18 years of age should also be considered. I suggest that about 30 student delegates be chosen so they can gain experience in national politics and to train them in national politics, provided they are able to speak at the national convention.

Mr. Chairman, it is important in every aspect for the process of choosing delegates to the National Convention to be smooth. [passage omitted] The right answer will be achieved if discussions are held with beneficial aims for the country. Mr. Chairman, we are now taking the first step to gain stability for the country and for the mental and physical happiness of the entire people. There is a need to create a pleasant and clear situation, a smooth future for national politics, and to create opportunities for the people and us to make appropriate preparations. In order to obtain those opportunities, I would like to stress the need for suitable changes in accordance with the country's present peaceful situation.

Shan League Presents Views

BK0107095192 Rangoon Radio Burma in Burmese
0934 GMT 30 Jun 92

[Speech by U Hkua Tun Oo, leader of the Shan Nationalities League for Democracy Party delegation, at the coordination meeting held in the President's House compound on Ahlone Road in Rangoon on 30 June—recorded]

[Excerpts] Mr. Chairman. The Shan Nationalities League for Democracy [SNLD] finds the following three facts, included in the speech of the chairman of the steering committee for the coordination meeting on the convening of a national convention, to be very important and basic. The three facts are: A. The current importance of the reconstruction of national unity for the future of Burma; B. The convening of a national convention based on national reconstruction; C. The national convention is to present basic principles for the drafting of a firm constitution. These three facts in the steering committee chairman's speech should be considered as important facts by the forthcoming national convention, by the people's assembly and delegates responsible for drafting the constitution, and the delegates attending this coordination meeting. Since it is not possible to hold a completely successful national convention without a national objective, I would like to suggest a proposal to have a national objective for the national convention. It is very important that the national convention objective and the national objective be identical. A proposed national objective is the construction of national unity based on national reconciliation and the

emergence of a firm constitution. This fact should be the first national objective [preceding two words rendered in English] of the national convention.

Mr. Chairman. To present another objective, the second national objective should concern how widely the national convention is represented by the nation's people. It is based on how adequately it is represented by the national delegates and how many attend. This convention should hold discussions until it obtains a national program that will be beneficial to the economic well-being of the national people at present and in the future. From a constitutional point of view, this program will become a basis of the constitution and will also support the emergence of that constitution in a mutually beneficial fashion. Similarly, from a political point of view, it is impossible to build national unity without a national program base. The country's history and situations have proven the disintegration of national solidarity for lack of national unity. In accordance with these facts, there is a need to practically choose true representatives of the entire populace to attend the forthcoming national convention. [passage omitted]

Mr. Chairman. In accordance with the steering committee's desires, it is our dire responsibility to propose delegates for the national convention. With regards to this matter:

A. All patrons, panel of chairmen, and executive committee members from all legally standing political parties should be invited.

B. In the case of elected representatives, since they were elected by the free and fair choice of the people, all elected representatives who have legal standing to this day should be invited.

C. With regard to delegates from national groups, there are three ways to choose delegates from among them. The first way is through cooperation between the concerned national groups and the regional administrative body. The following ratio should be applied for the following national groups: Kachin, either 15 or 10 delegates; Kayah, either 5 or 10 delegates; Karen, either 15 or 10 delegates; Chin, 10 delegates; Burmese, either 30 or 10 delegates; Mon, 10 delegates; Arakan, 10 delegates; and Shan, either 20 or 10 delegates. The estimated total delegates for the main eight races is either 115 or 80 delegates. The second way: According to official statistics there are 135 national races within the main races. A certain coordinated amount of delegates from the national races should have a combined representation [preceding two words rendered in English] with the main races and should be invited. The third way is for the national races that live together to choose their own delegates regardless of the regions. For example, the Kaiklian, Kaiknur, and Kaikkhamti national groups, which live in the Kachin State and Sagaing Division, should choose their own delegates. One national group should send about three delegates.

D. Peasant delegates

E. Worker delegates

F. Technician delegates

I would like to present matters relating to these delegates from the mass and class organizations. Peasants and workers are the two basic classes of Burma and it is a very big and wide matter. There is difficulty in proposing a limit to the number of peasant and worker delegates for lack of basic principles concerning this matter. [passage omitted]

G. With regard to other suitable delegates, it is better not to limit the number but to consider the basic facts about those who should be invited. In this category, persons with political experience and persons respected by the people should be chosen. The SNLD thinks the following persons should be included:

1. Prominent revolutionary leaders from among the 30 comrades;
2. Persons who participated in the signing of the historic Panglong Agreement;
3. Advisory committee personnel for the 1947 Constitution;
4. Delegates to the 1961-Taunggyi National Congress;
5. Members of the 33-member advisory board;
6. Former government ministers;
7. Former council of state members;
8. The SLORC government and members;
9. Prominent leaders in accordance with the desires of the majority of the people. [passage omitted]

Mr. Chairman. I would like to make inquiries about unclear facts. Will there be a declaration that there is freedom of discussion and freedom of reporting in the upcoming national convention? Will a declaration be issued that no prosecutions, no legal actions, and no interrogations will be made in connection with the discussions and reports at the national convention? How will a decision be made on the discussions by convention delegates? I duly request answers to the above questions.

Mr. Chairman. For the entire public to know about the national convention similar to the already-held free and fair elections, the procedures and full text of the national convention from beginning to end should be broadcast live on Radio Myanmar and TV Myanmar. [passage omitted]

Opposition Unlikely To Request Release of Leaders

BK2806114092 Hong Kong AFP in English 1131 GMT 28 Jun 92

[Excerpt] Rangoon, June 28 (AFP)—The main opposition National League for Democracy (NLD) is unlikely to ask Burma's military government to free imprisoned NLD leaders so they may take part in the forthcoming constitutional convention, a party member said Sunday.

The source told AFP that NLD chairman Aung Shwe did not plan to raise the issue at the meeting Tuesday of the convention steering committee.

Among the detained NLD leaders are 1991 Nobel Peace Prize winner Aung San Suu Kyi, who has been under house arrest in Rangoon for nearly three years, and its chairman, Tin Oo.

"The present leadership of the NLD is totally committed to making this first ever meeting with the SLORC [State Law and Order Restoration Council] a total success," said the party source, speaking anonymously.

The State Law and Order Restoration Council (SLORC) is the official name of the ruling junta.

The current NLD leaders discussed whether to seek their release at an "inconclusive" meeting Thursday with representatives of the Shan Nationalities League, the second largest opposition party after the league, the source said.

"The NLD appears to be opting for the line of least resistance," the source said.

Fifteen government representatives and 28 political leaders met June 23 at the convening of the steering committee, which is to plan for a constitutional convention within four months.

It was the first time in two years the two sides had sat down together.

At that meeting the delegates listened to committee chairman Myo Nyunt's opening speech. He assured the politicians they would be able to discuss freely all issues.

At Tuesday's meeting the delegates are to discuss who should be invited to the national convention. [passage omitted]

SLORC Releases 92 Political Prisoners

*BK2906145792 Rangoon Radio Burma in Burmese
1330 GMT 29 Jun 92*

[Text] U Aung San Myint and U Chit Tin from the National League for Democracy [NLD] against whom actions were taken in April 1991 and who were serving their sentences; U Tun Kyaing from NLD against whom action was taken in November 1991 and who was serving his sentence; and Ko Mauk alias Ye Naing Aung former general secretary of the Youth Solidarity Front against whom action was taken in December 1991 and who was serving his sentence, were released from Insein Central Jail today in accordance with Declaration No. 11/92 of the State Law and Order Restoration Council [SLORC].

Similarly, 88 men, against whom actions were taken under existing laws and who were serving their sentences, were also released today from Myitkyina, Katha, Shwebo, Monywa, and Mandalay Jails respectively in accordance with SLORC's Declaration No. 11/92.

English-Language Domestic TV Newscast To Begin

*BK2906150292 Rangoon Radio Burma in Burmese
1330 GMT 29 Jun 92*

[Text] The Myanmar [Burma] TV will begin its extended news program, broadcasting domestic news in the English language, on Tuesday, 30 June 1992. The program can be watched after the end of the international news program.

Brunei, Malaysia & Singapore

Malaysia

Kelantan Seeks Federal Apology to Sultan Ismail

*BK2906012992 Hong Kong AFP in English 0905 GMT
28 Jun 92*

[Text] Kuala Lumpur, June 28 (AFP)—Malaysia's Kelantan state wants the federal government to apologize for accusing its ruler of evading taxes on an Italian luxury car amid claims the dispute has been settled, reports said Sunday.

Rozali Isahak, deputy chief minister of the state, led by the fundamentalist opposition Parti Islam, said the claim by federal leaders that the issue had been settled "was intriguing."

Sultan Ismail Petra on March 19 roared away from a customs holding area at the Kuala Lumpur International Airport in a new Lamborghini Diablo after refusing to pay 2.1 million Malaysian dollars (840,000 U.S.) in import taxes.

The move sparked a furor among federal officials.

Strident exchanges between state and federal leaders followed, with Prime Minister Mahathir Mohamad accusing Ismail of behaving unethically, abusing his privilege and flouting the law.

But Finance Minister Anwar Ibrahim said Friday the sultan "had abided by the regulations in the Lamborghini car issue and the federal customs department is satisfied that the matter has been resolved."

Anwar and customs officials declined to say how the dispute had been resolved.

Under the country's system of parliamentary democracy and constitutional monarchy, sultans preside over nine of the 13 states as symbolic protectors of indigenous Malays, their culture and Islam.

Singapore

Premier Goh Returns After 2-Day Visit to Brunei

BK3006113492 Singapore Singapore Broadcasting Corporation in English 1100 GMT 30 Jun 92

[Text] The prime minister, Mr. Goh Chok Tong, has returned home after a two-day visit to Brunei. Last night, Mr. Goh attended a dinner hosted by Sultan Haji Hassanah Bolkiah at the Istana Nurul Iman [Nurul Iman Palace] in (Bandar Seri Begawan). Also yesterday, Mr. Goh was granted an audience by the sultan at the Istana Nurul Iman. Sultan Haji Hassanah Bolkiah expressed happiness that the close relations between the two countries had strengthened cooperation in various fields.

Four More Officers Promoted to General

BK2706142992 Singapore THE STRAITS TIMES in English 27 Jun 92 p 1

[Text] The Singapore Armed Forces (SAF) now has 12 serving generals.

Four more SAF officers were promoted to the rank of Brigadier-General yesterday.

They were among 239 officers from the army, air force, and navy who were promoted in this year's exercise.

The latest promotions bring the number of generals in the army to seven, while the air force has four, and the navy, one.

Three of the newly promoted generals are scholars. They are: Colonel Bey Soo Khian, Chief of Staff (Air Staff); Col. Wesley D'Aranjo, Deputy Secretary (Technology) in Mindef [Ministry of Defense]; and Col Lee Hsien Yang, Director, Joint Operations and Planning Directorate.

Col. Chin Chow Yoon, who is just back from a year-long course in the United States, is Commandant, Safti [Expansion Unknown] Military Institute (Designate).

Dr. Yeo Ning Hong, the Minister for Defence, presented certificates of appointment to the promoted officers at a ceremony at the Mindef Auditorium in Gombak.

Of the 239 officers promoted, 126 were from the army, 63 from the air force, and 26 from the navy. The remaining 24 were non-uniformed SAF (Nusaf) officers.

Other promotions include eight lieutenant-colonels to the rank of colonel and three reservist majors from the army to the next rank. One Nusaf officer was also promoted to the colonel-equivalent Nusaf grade.

The promotions take effect from Wednesday.

Besides the promotions, 173 other officers received salary upgrades in their current ranks.

Among the guests were: Dr. Lee Boon Yang, the Minister for Labour and Second Minister for Defence; Mr. Matthias Yao Chih, Parliamentary Secretary (Defence);

Lieutenant-General Winston Choo, Chief of Defence Force; service chiefs, senior SAF officers and the wives of the newly-promoted officers.

Cambodia

Nearly 2,000 FUNCINPEC Troops in Cantonment

BK0107104192 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 1 Jul 92

[Text] A total of 1,887 soldiers of the National Army of Independent Cambodia [NAIC] was placed in barracks yesterday, 30 June, in the first step made by the NAIC in implementing the second phase of the cease-fire. Presiding over the ceremony to launch the implementation of this second phase were Prince Norodom Ranariddh, chairman of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], commander in chief and supreme commander of NAIC, and member of the Supreme National Council of Cambodia; His Excellency Yasushi Akashi, special representative of the UN secretary-general and head of UNTAC [UN Transitional Authority in Cambodia; General John Sanderson, commander of the UNTAC forces; and several other senior UNTAC officials.

This ceremony in which NAIC soldiers surrendered their arms and were put into cantonment took place at Soeng, a zone controlled by FUNCINPEC.

Mr. Akashi was full of praise for the FUNCINPEC faction's scrupulous compliance with the second phase of the cease-fire according to the 23 October peace accord, a phase which decrees that all factions regroup 70 percent of their troops in military barracks. Mr. Akashi noted that the demobilization of the NAIC forces at the early stage of this second phase was the largest compared with the other factions. He promised that UNTAC would do its best with the close cooperation of the international community to get aid for the soldiers who have resumed civilian life.

UNTAC was presented with 1,295 firearms during the ceremony to hand over arms and place troops in barracks by the first group of NAIC. The second ceremony, during which another group of NAIC will lay down their arms and be put into cantonment, will take place on 3 July. This will involve 1,390 soldiers and 878 weapons.

Further on Akashi, Ranariddh Remarks

BK3006142792 Hong Kong AFP in English 1222 GMT 30 Jun 92

[Excerpts] Soeng Cantonment Site, Cambodia, June 30 (AFP)—More than 2,000 soldiers of the pro-Sihanouk guerrilla faction handed in their weapons here Tuesday and took their first steps towards resuming civilian life after more than 15 years of conflict.

The 6,000-strong National Army of Independent Kampuchea (ANKI) is led by Prince Norodom Ranariddh,

the son of Cambodian head of state Prince Norodom Sihanouk. A delighted head of the U.N. peacekeeping mission, Yasushi Akashi warmly applauded the ANKI initiative. "It has been the dream of prophets for many centuries to change swords into ploughshares, and we are witnessing today the historical transformation of Cambodia which has suffered from so many years of war and conflict to now take a courageous step towards peace and peaceful civilian life," he told them. [passage omitted]

U.N.-organized free and fair elections scheduled for May 1993 will not take place until all four armies are disarmed, Akashi said.

According to Ranariddh, ANKI's commander in chief, there are some encouraging signs that the hardline Khmer Rouge may soon participate.

Dressed in a freshly pressed set of camouflage fatigues and sporting a gold button on his chest pocket commemorating his father, Ranariddh said: "Today, we believe very soon without any exceptions, all of the Cambodian forces will be put into cantonment, disarmed and demobilized."

"I've been told by my officers that the (Khmer Rouge) have said they will soon inform the United Nations it can go everywhere it wants, and so it's good news," he said.

Reliable defense sources said former Khmer Rouge officers serve with the ANKI factions.

Akashi, who arrived at the isolated Soeng cantonment site near the Thai border accompanied by the U.N. mission's military commander, Lieutenant General John Sanderson, also expressed cautious optimism about future Khmer Rouge cooperation.

"I hear vibrations here at a local level that all four factions are cooperating, which is good," he told reporters. "There are some encouraging signs."

The site, 100 kilometers (60 miles) northwest of the central provincial city of Siem Reap is the general headquarters for ANKI's divisions one and two.

The base appeared well provisioned and well armed.

Hundreds of wooden boxes containing 120mm and 81mm mortar rounds, recoilless rifle ammunition, 12.7mm heavy machine gun rounds and rocket-propelled grenades lay stacked behind an earthen bunker.

About 20 guerrillas paraded with the latest model French assault rifle.

Additional heavy weapons to be placed in storage included a captured Phnom Penh T54 Russian-built

As the U.N. entourage prepared to leave the tree-lined compound, a military brass band started playing and crowds of Cambodian civilians thronged to wave farewell. [passage omitted]

Chea Sim Meets U.S. State Department Official

*BK0107062792 Phnom Penh SPK in French 0428 GMT
1 Jul 92*

[Text] Phnom Penh 1 jul (SPK)—Mr. Chea Sim, chairman of the Cambodian People's Party Central Committee and also of the National Assembly, recently received in Phnom Penh the visiting U.S. assistant secretary of state, Kenneth Quinn. He recalled the sufferings endured by the Cambodian people during 20 years of war, particularly between 1975 and 1979, and stressed the State of Cambodia's will to strictly abide by the peace accords. "But the Khmer Rouge," he said, "always seek to obstruct their implementation by launching attacks against government positions in the provinces of Kompong Thom and Preah Vihear."

Chairman Chea Sim called the visit of the U.S. delegation an important contribution to the strengthening of the solidarity and friendship between Cambodia and the United States.

In return, Kenneth Quinn underlined that the United States does not wish to see the Khmer Rouge retake power and hopes that all Cambodian factions would sincerely respect the peace accords.

He praised the State of Cambodia for its close cooperation with the United States in the search for the remains of U.S. soldiers missing in action during the Indochina war and for its economic reorientation toward the free market.

The U.S. diplomat affirmed that the United States did not want to see any Khmer faction given the veto right on international aid to Cambodia and that only those factions which scrupulously respected the accords should get it.

The U.S. delegation paid a visit from 25 to 28 June. During its stay, the delegation had discussions on cooperation in the POW/MIA issue with Long Visalo, deputy foreign minister of the State of Cambodia. It also visited the Angkor temples and the "Tuol Sleng" Museum.

Hor Nambong, Thai Counterpart Issue Communique

*BK3006145192 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
30 Jun 92*

["Communique" on talks between His Excellency Hor Nambong and Thai Foreign Minister Asa Sarasin—date not given; read by announcer]

[Text] His Excellency [H.E.] Hor Nambong, minister of

with H.E. Asa Sarasin, Thai minister of foreign affairs, at the office of the Ministry of Foreign Affairs of the Kingdom of Thailand on the morning of 29 June. During the talks, H.E. Hor Namhong deeply thanked the Thai Ministry of Foreign Affairs for according him a warm reception and expressed high appreciation of the Thai Government's role in the peace process in Cambodia and its assistance in other fields.

On the same occasion, H.E. Hor Namhong informed the Thai leadership of the difficulties encountered in the implementation of the Paris accord caused by the Khmer Rouge refusal to abide by the second phase of the cease-fire. He stressed that the Khmer Rouge imposition of preconditions for their accord's implementation was contrary to the Paris accord.

H.E. Asa Sarasin made it clear that the Thai Government has never colluded with or given any assistance to the Khmer Rouge as generally believed. Thailand wishes to see Cambodia live in peace and develop and hopes all Cambodian factions would correctly implement the peace accord.

H.E. Hor Namhong and H.E. Asa Sarasin agreed with each other that all means should be explored to get consensus on implementing the accord so that another outbreak of civil war in Cambodia can be prevented. They noted however that we cannot do anything that does not conform with the accord.

H.E. Hor Namhong drew the attention of the Thai Government to this dilemma: If the Khmer Rouge remain intransigent in their refusal to comply with the accord, in spite of the compromise and efforts by us and the international community, what in the end should the United Nations do? He stressed: That is a fundamental question that all of us must start pondering right now, and it worries us.

H.E. Asa Sarasin, Thai minister of foreign affairs, thanked H.E. Hor Namhong for giving him a detailed briefing. He reiterated that the Royal Thai Government continues to support the Cambodian peace accord. He went on to say that all Cambodian factions must solve the existing problems within the purview of the Paris accord.

On that occasion, the two sides also exchanged views on the prospects of expanding the Mekong Committee. They agreed that each country must not make use of the Mekong water in a way that would harm the interests of other countries along the river.

The talks proceeded in a friendly and cordial atmosphere. At 1200 on the same day, Thai Foreign Ministry Permanent Secretary Witthaya Wetchachiwa, hosted a luncheon for the delegation on behalf of H.E. Asa Sarasin, who was due for an overseas mission.

Hor Namhong Returns to Phnom Penh

BK3006144292 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 30 Jun 92

[Text] The delegation of the State of Cambodia Ministry of Foreign Affairs headed by Mr. Hor Namhong, minister of foreign affairs and member of the Supreme National Council of Cambodia, safely returned home at 1200 on 30 June. The delegation attended the Tokyo international conference on Cambodia's rehabilitation and reconstruction and visited Malaysia, Singapore, Brunei, and Thailand. He was warmly welcomed at Pochentong Airport by the deputy foreign ministers, other officials, and the representative of the Thai Embassy.

Ranariddh Discusses Tokyo Conference Outcome

BK3006115992 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 28 Jun 92

[Interview with Prince Norodom Ranariddh, chairman of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, by unidentified station correspondent on 26 June; place not given—recorded]

[Text] [Correspondent] I am a correspondent of the Voice of the Khmer [VOK]. My respects to Your Highness the chairman of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and member of the Supreme National Council of Cambodia [SNC].

First of all, I would like to thank Your Highness for granting me this interview. Recently, Your Highness attended the international conference on Cambodia's rehabilitation and reconstruction held in Tokyo. Would you please speak about the outcome of this conference?

[Ranariddh] First of all, I, Norodom Ranariddh, son of His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of Cambodia's SNC, and Prince Father to all of us, I, the chairman of the FUNCINPEC Party, would like to pay my most humble respects to all venerable monks inside Cambodia and to all grandmothers, grandfathers, uncles, aunts, compatriots, and all listeners of the VOK. I would like to express my best regards and deepest gratitude for the support that all venerable monks and compatriots have given the FUNCINPEC Party and the FUNCINPEC movement—the pure Sihanoukist movement and patriotic and nationalist movement—during years of their struggle to liberate the motherland from the claws of the Vietnamese communist aggressors.

I am very glad to inform all compatriots and venerable monks of the outcome of the Tokyo conference called the International Conference on Cambodia's Rehabilitation and Reconstruction. On 22 June 1992, I had the great honor to attend this great conference in Tokyo, Japan.

The purpose of this conference is to assist our Cambodian people, our Cambodia as a whole, not any party in particular. As we have fallen victim for more than 23 years to all forms of war and all kinds of human rights violations, the international community, having pity for our Cambodian people and our Cambodia, met in Tokyo within the framework of this conference in order to help restore and rebuild our country in all fields. Briefly speaking, the conference achieved very good results beyond expectations because UN Secretary-General Butrus Butrus-Ghali made an appeal to the international community and all peace-loving governments that sympathize with Cambodia to contribute to Cambodia's reconstruction funds set at \$593 million. But after the Tokyo meeting, which was held for just one day on 22 June, the amount of pledges collected from various governments and international organizations was \$879.6 million or nearly \$880 million. This clearly shows that the international community feels great pity for our entire Cambodian people and wants to help rebuild our Cambodia.

Availing myself of this interview, however, I would like to make the following clarification to all compatriots and venerable monks:

1. I would like to ask everybody not to think that this aid is meant for just any regime, any state authority in particular. The truth is that the international community provides this aid to Cambodia as a whole. It was stated clearly in the statement that first this aid must reach all of Cambodia, particularly the poorest, most needy sectors. Another point is that this aid must reach all Cambodian people, especially the most impoverished ones.

2. I would like to stress that the distribution of this aid must be made under the supervision of the SNC, which is the sole representative of Cambodia's sovereignty and under the control of the UN Transitional Authority in Cambodia, also known as UNTAC.

I was informed that the United Nations will keep a very close watch on this aid. It is not permitted that this aid is used in the interest of any single regime or party in particular. It must be distributed correctly under close UN monitoring. It must be used to restore Cambodia's important infrastructures for Cambodia's reconstruction. The domains set for rehabilitation and reconstruction are as follows:

Priority one is food. Food security, especially rice, means to do anything possible so that from now on, under whatever circumstances, there will no longer be famine and shortage of rice among our Cambodian people.

Priority two is health, that is, the good health of the Cambodian people.

Priority three is housing for the Cambodian people.

Priority four is training—all kinds of technical, vocational training—to give all Cambodian children the possibility to serve the reconstruction of their nation.

Priority three [as heard] is general education.

Priority four is all communications lines, transport roads, routes, bridges, and so on.

So, these are the priorities in Cambodia's rehabilitation and reconstruction program.

In addition to that, a budget will be set aside for the functionaries at all levels and in all regions. Regarding this matter, I, Norodom Ranariddh, would like to make the following clarification:

I, representative of the FUNCINPEC Party—a party personally conceived by HRH the Prince Father—would like to take this opportunity to stress that I have not objected and do not object to the conditions of the United Nations in providing funds for a state and in giving salaries to the functionaries at all levels and in all ministries of the Phnom Penh regime. This is because I, Norodom Ranariddh, am of the opinion that for the past several months those ladies and gentlemen who are state employees and functionaries in the Phnom Penh regime have not received pay from the Phnom Penh government despite promises of pay increases to win votes in the elections.

I have not raised any objection and have even supported this fund because I understand that all of you, ladies and gentlemen, are honest and loyal civil servants, working hard and resolutely, especially the school teachers, school mistresses, professors, doctors, and hospital workers. You have been very patient and understanding although you have not received your monthly wages. You have been working to support yourselves and also to teach our Cambodian children or take care of the sick Cambodian people. I am very pleased to have learned that the United Nations would provide money to give regular salaries to all of you. This is my repayment for your sense of patriotism and hard work in service of the superior interests of the nation in the educational, health, and other fields. Moreover, I know very well that all of you are wise and intelligent. You know well that this money comes from the United Nations, from the international community, from those governments that love Cambodia. It does not come from any particular state or party. I understand that all of you, ladies and gentlemen, will make a most correct assessment concerning this fund.

Some people wondered why Prince Ranariddh supported that program if it would only benefit the State of Cambodia. I told them my understanding was that first, the international community would not permit that fund to be given to the State of Cambodia; second, the brothers and sisters in the interior are intelligent enough, they have suffered so much, and they would understand perfectly well where that money comes from; third, you ladies and gentlemen, despite your hunger and hardship,

have not stopped providing your service in the interests of the nation, as I have said just now. You have spared neither physical nor moral efforts in providing your service and that should be repaid and supported by somebody, and we are fortunate to receive the support of the United Nations.

That is what I have to say succinctly in my answer to the question about the outcome of the Tokyo conference on Cambodia's rehabilitation and reconstruction. I would like to reiterate again and again that I hope that anyone in any regime or any party, who has received these funds, must be honest toward the nation. He must never embezzle these funds for his own interests nor must he use them to serve the interests of his party or regime. The FUNCINPEC Party within the framework of the SNC and in Cambodia will closely and thoroughly monitor the use of these very considerable funds. We will see to it that these funds really serve the superior interests of all Cambodian people and of Cambodia as a whole, that is Cambodia in all regions and not just in any one region in particular and especially in the poorest regions.

[Correspondent] At the current stage, at the beginning of the implementation of the cease-fire's second phase, according to the reports that we have received, the Democratic Kampuchea faction has shown its disagreement. What is your opinion?

[Ranariddh] To your second question, I have the honor to answer as follows: It is true that a Cambodian faction has not yet respected and implemented the second phase of the cease-fire in Cambodia, meaning the troop regroupment, troop cantonment, the disarmament, and the dissolution of forces. However, I, Norodom Ranariddh, have the following opinion: The main points raised by that faction—or to put it bluntly the Democratic Kampuchea faction—are first, the Vietnamese presence in Cambodia, and second, the SNC. Concerning these two points, I would like to clarify as follows: I, Norodom Ranariddh, have raised these two issues myself on many occasions, in news conferences, in speeches, in interviews, and during my talks with Mr. Akashi, special representative of the UN secretary-general, as well as at SNC meetings. I clearly understand that there still are Vietnamese in Cambodia. Many people have asked where are these Vietnamese? Can you produce proof by bringing Vietnamese prisoners in a Vietnamese uniform? So said the United Nations.

I have repeatedly noted that you do not have to go far to find the Vietnamese. All of you, compatriots, know very well that the Vietnamese are everywhere in Cambodia. As for the presence of Vietnamese military personnel, I do not think that these Vietnamese are stupid enough to wear their uniform and strut around all over Cambodia. In reality, we have much evidence to show first that there are Vietnamese soldiers in Phnom Penh army uniforms. For example, a month ago four Vietnamese in the Phnom Penh army uniform were partying at a restaurant on the former Monivong Boulevard. When they were a little intoxicated they stopped speaking Cambodian and

started addressing each other in Vietnamese. When they spoke in Vietnamese they inadvertently revealed that their unit was based in the Pailin area. This is the truth.

Moreover, I would like to remind you that most Vietnamese, especially the Northerners who fought the French and the Americans, do not wear uniforms. The Northerners who came to South Vietnam to help the Vietcong fight the South Vietnamese regime, the Americans, and all their allies during the Vietnam war did not wear any uniforms at all, be it their own or the Vietcong's. They were in plain clothes. In fact, during the Tet offensive in Saigon—now known as Ho Chi Minh City—when the Americans killed them by the hundreds in front of the U.S. Embassy, none of them wore any military uniforms of the North Vietnamese Army; they were all in civilian clothes. This was proved by pictures. Therefore, how can we get proof of Vietnamese in uniform now?

Third point: I have been informed by the General Staff of the Sihanoukist National Army of Independent Cambodia and tipped off by our networks from everywhere that among the illegal Vietnamese immigrants in Cambodia, there are Vietnamese soldiers—not retired officers, but active ones—organized in regular networks with direct contacts with their authorities in Saigon. Moreover, as you know, there are weapons in all Vietnamese houses and boathouses. For this reason, the UN accord on Cambodia does not mention Vietnamese troops but Vietnamese forces, meaning every Vietnamese and not just uniformed Vietnamese. Therefore, this issue must be settled by us Cambodians at all costs. In many years of our struggle when we sacrificed so many Cambodian lives, such as within the framework of the Sihanoukist National Army or National Army of Independent Cambodia where 2,600 lives were lost, in our quest to liberate the motherland, do you think that we have solved the question of foreign military presence? No, we have not solved it 100 percent.

This is a matter that has nothing to do with our dislike of the Vietnamese. Some circles have said that we hate the Vietnamese and that I am immoral. Some have said that the Vietnamese are here to perform jobs disdained by the Cambodians. Some have even charged that we Cambodians have become racists. Others have said that we have used the Vietnamese presence issue as a political demagogery. In reality, we have never resorted to such a political demagogery. We Cambodians understand very well that this Vietnamese problem must be solved by any patriotic Cambodian, any patriotic Cambodian regime, and any patriotic, nationalist party. I have repeatedly stressed that we have no intention of conducting massacres or pogroms against any group of persons. We must choose a legitimate framework to solve this vitally important question for the nation so that the sacrifice of thousands of Cambodian lives would not become futile.

Besides, I would like to take this opportunity to inform the venerable monks and beloved compatriots that in the coming elections I urge all our people to be very careful.

Outwardly, these elections look like elections to democratically select a regime. But in reality, they are elections of vitally important significance to Cambodia. Let us consider only the Vietnamese presence issue. If a regime that has invited the Vietnamese to Cambodia were elected, there would never be questions about the Vietnamese presence in Cambodia. If Ranariddh talked about such an issue, he would be a liar, for the Vietnamese have officially announced that they have already left Cambodia. Why does Ranariddh raise such an issue if he is not a liar? Ranariddh must have been a demagogue, who uses the Vietnamese presence issue to dupe the people. If such a person, a regime, a party that has said so were elected, would he try to solve the Vietnamese presence issue? He would solve it if he recognized that there was a problem. If he did not recognize that there was problem, would he solve it? Therefore, the outcome of the elections would be vital to our nation. This is only one of the many points I raise.

The second point of significance that we and the Democratic Kampuchea faction have raised—the Khmer Rouge are not the only ones to have raised it, our Prince Father also raised it in November 1991, I myself raised it at the 6 February 1992 meeting of the SNC, and H.E. Son Sann, too, raised it—concerns the SNC. To listen to the accord, this SNC is the sole source of authority, the sole legitimate organization. What is it in reality? I do not have to elaborate. I raised this question in Tokyo the other day, but a certain foreign personality—I am not going to name him because he is our friend—told me that truthfully this SNC wields no power whatsoever. Its role is merely to advise the UN special representative. And this advice, if not a consensus, would be overruled by the decision of the UN representative. This, of course, is in line with the Paris accord. So, I am not going to elaborate. I only wish to remind you that this SNC known as the sole authority is nothing, but a puppet.

I therefore would like to end my views on these two points. I only wish to repeatedly stress that these two points are important to the survival of our nation. However, the position of the FUNCINPEC Party differs from that of the Democratic Kampuchea faction in the following: Although we understand that these points are vitally important to our nation, we hold that we must not delay the implementation of the Paris accord. It is imperative that we proceed with the second phase of the cease-fire—namely, the troop regroupment, the disarmament, and the dissolution of the forces. Why is it so? Some asked: With the Vietnamese present everywhere in the country, what would happen if the Khmer are all disarmed? I answered: I understand that. Because of that, the FUNCINPEC faction would not regroup all of its troops. It would regroup some and keep some. What is it for? It is for ensuring security for the population living in the zones under our control and for ensuring security for the Armed Forces themselves. This is for defending the zones, the people, and Armed Forces themselves. At the same time, we will continue pres-

especially the Vietnamese presence problem. Without behaving in that way, the international community will never clearly grasp the Vietnamese problem, will never see the Vietnamese problem. It will only see that if we refused to go along, we Cambodians would be accused of noncompliance with the accord, of dressing an obstacle to the accord. This is something that I am afraid of.

Second, I said that we must proceed onward. If we do not advance, we cannot hold the elections. Without the elections, who would benefit? The only regime that will benefit is the one that has never wanted the elections because it knows it would lose the elections. For this reason, venerable FUNCINPEC members are suffering badly from intimidation, threat, disappearance, and murder. When they had to rent a house, as in the cases that happened in Battambang and Phnom Penh, the landlords were bullied into not renting houses to FUNCINPEC. There have been all kinds of intimidations. Such actions have enabled national opinion to clearly see which regime was behind them and to understand that that regime was weak. If it were strong, it would not need to resort to such tactics. I would like repeatedly to stress that such an intimidation method constitutes a gross violation of the accord signed by the four factions. The accord stipulates first that Cambodia should accept a liberal democratic regime comprised of a multiparty system. All factions have agreed to accept the right for all Cambodians to set up parties and associations without having to solicit authorization from anybody. Therefore, the pressure from the State of Cambodia on the FUNCINPEC members absolutely constitutes a violation of the accord. For this reason, I first lodged a protest with the United Nations. The United Nations promised me and the Tokyo agreement repeatedly provided that first all points of the accord must be respected—all points and not just one or two of them. Second, the Tokyo conference earnestly urged the United Nations to send its civilian inspectors to the provinces and districts as soon as possible, and demanded that the UN control on the five ministries—especially the ministries of security and interior—and control of the police be effected as soon as possible.

This is a correct move that the United Nations must take. For the time being, however, I earnestly urge those who wish to become FUNCINPEC members to please be very careful about their own safety and lives. If you were taken away and murdered, what possibility would there be for you to serve FUNCINPEC?

In my opinion, pending the time we can enjoy full freedom when the United Nations is deployed in all provinces and communes to control the local police, please do not come out of hiding. I know you are courageous. Some of you have said that you are not afraid of the Vietnamese. Why then should you be afraid of that regime? I understand your feeling very well. But I implore you to please refrain from making your identity known. Do not rush to hold FUNCINPEC membership cards. On the contrary, you should continue clan-

would you vote for, tell them you would vote for those who made it possible for you to survive over the past 13 years. To win or to lose depends merely on our own conscience, on the correct assessment of the intrinsic values of each party and regime. What is most important is that in May 1993 we will vote freely on the basis of our common sense and good judgment for any party that we believe able to serve the motherland, any party that is capable, knowledgeable, and fully reliable, any party that in its past made all kinds of sacrifice and overcame all kinds of hardship to save and liberate the motherland.

I, son of HRH the Prince Father and chairman of the FUNCINPEC Party, do not even ask you to vote for FUNCINPEC. This is because I understand that you understand what is FUNCINPEC. You certainly know that FUNCINPEC is a party personally conceived by the Prince Father. You also know who leads FUNCINPEC. The man who leads FUNCINPEC is the royal son of the Prince Father whose name is Norodom Ranariddh and whom the Prince Father has always said to be the best educated of his children and to be his favorite son.

Therefore, you all know very well. I need not advertise myself too much. I only wish to recall again and again that the May 1993 elections will be historic elections vital to our motherland. Therefore, I have nothing else to say, but to pray to the triple jewels of Buddhism—Buddha, Dharma, and Sangha. We pray to all holy objects as well as the angels guarding Cambodia and the angels guarding the throne, and to the souls of all former kings of Cambodia who used to protect Cambodia to imbue the Cambodian citizens in 1993 with a great courage to go to the polls despite coercion and pressure so as to help save our nation and to direct their hands into checking the number of any party that is genuinely patriotic, nationalist, and royalist, any party that in the past used to shed blood and sacrifice lives for national salvation.

In conclusion, I would like to take this opportunity to inform you that the FUNCINPEC Party is a poor party. We do not have any resources. No one helps us. We do not have any state property to sell off. I also have decided that the excessive logging of Cambodian forests over the past dozen of years by the Vietnamese everywhere, especially in the zones controlled by a certain regime, constitutes a threat to the future of Cambodia. The dearth of rains and drought have been caused by the unsystematic illegal logging without replanting. Because our party understands this threat, we would like to inform you that before anyone else, our party announces that from now on we cease logging in our zones and end all logging contracts there. We also appeal to other Cambodian factions—if they are patriotic—to end their logging contracts as well. For this reason, venerable people, the FUNCINPEC Party is very poor and does not have any resources. Do not believe the claim that we have promised to give \$200 to anyone who would join our party or who would vote for us, that is not true. We do not have that kind of money. We do not have enough to finance the opening of our offices in the provinces or

even to pay our personnel. Our FUNCINPEC Party is therefore very poor. However, no matter how poor we are, I still hope that all venerable monks, grandmothers, grandfathers, and compatriots will understand that though FUNCINPEC is poor, it does not sell off the nation or its property and it is not corrupt. Therefore, you will vote for FUNCINPEC, a party that is capable of rehabilitating the nation. This is the hope filled with respects and warmth nurtured by me, chairman of the FUNCINPEC Party.

I have nothing to give you, venerable monks and respected grandmother and grandfathers, except my most profound gratitude for the support you give to the FUNCINPEC Party and to me. It is my belief that if we win the elections, if the FUNCINPEC Party wins the elections, FUNCINPEC will be able not only to control Cambodia, but also to bring glory to Buddhism as in the time of [Sihanouk's pre-1970 party] Sangkum Reas Niyum. The FUNCINPEC Party pledges to respect human rights 100 percent. It also pledges to pursue a multiparty liberal democratic system. In conclusion, the FUNCINPEC Party pledges that if it wins the elections it will give priority to developing the people's living conditions in the countryside and will uphold social justice for the people, the sole masters of Cambodia.

I pray to Lord Buddha and all sacred objects to bless and protect all patriots and all venerable monks. May you always enjoy the five blessings of Lord Buddha. Thank you. Most affectionately from me, the son of HRH Prince Norodom Sihanouk and chairman of the FUNCINPEC Party.

Chea Sim Speech Marks CPP Founding Day

*BK2906093992 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
29 Jun 92*

[Speech by Chea Sim, chairman of the Cambodian People's Party, the National Assembly, and the Front for National Construction and Defense National Council, at the meeting held in Phnom Penh on 28 June to mark the 41st anniversary of the party's founding—recorded]

[Text] Esteemed and beloved princes, excellencies, ladies, gentlemen, all members of and esteemed foreign guests to this meeting: Today, the Cambodian People's Party [CPP] organizes this meeting to celebrate the 41st anniversary of its founding—28 June 1951-28 June 1992—in a grand atmosphere in which the Cambodian people throughout the country and the international community as a whole are following with intense interest the implementation of the 23 October 1991 Paris agreement. Since its inception, the CPP has firmly upheld its lofty ideal of always siding with the people, sharing weal and woe with the people, sticking it out with the people under all circumstances, serving the superior interests of the people and nation, defending national independence and territorial integrity, and always protecting the nation's culture and civilization. Especially when the

country was plunged into the war of destruction by Lon Nol's illegal coup d'etat, the CPP together with the masses and the resistance movement led by His Royal Highness [HRH] Prince Norodom Sihanouk captured the victory and achieved peace for the motherland. Unfortunately and most regrettably, even before the people could taste the fruits of that victory, the polpotist Khmer Rouge usurped the gains of the national community and pushed the whole nation into the abyss of a calamity unprecedented in the history of Cambodia and that of mankind.

Under these circumstances, the CPP turned itself into a resolute core for the people and masses in the uprising against the crimes of genocide. Thanks to the force of national solidarity under the party's leadership and also thanks to the assistance of friends, near and far through the world, our Cambodian people succeeded in toppling the genocidal regime in a most timely manner, thus saving the motherland and the people from certain annihilation and restoring the values of the nation as well as the freedom, traditions, and beliefs of the people.

Dear princes, excellencies, ladies, and gentlemen, for nearly 14 years the CPP in its most precious ideal of always working for the superior interests of the people and motherland led the Cambodian people in defending and rebuilding the country from scratch in a no-war no-peace situation. In so doing, the CPP realized many great achievements, such as preventing the attempts to return of the authors of the calamity from the past and enabling the motherland and people to achieve gradual stability and steady development despite the difficulties which remain to be overcome and resolved.

Along with providing leadership for the nation, the CPP has firmly preserved its glorious traditions by always closely linking itself with the interests of the people and answering to the people's needs and the nation's development requirements. Political and economic reforms and liberalization in the middle of 1989 during the second national party cadres conference have occurred along with the historic reforms passed at the end of 1991 during the party's extraordinary congress when a new political platform was put forward in response to Cambodia's prevailing situation. These reforms, combined with the general trend in the world, have provided a timely answer to the aspirations of the people both inside and outside the country and are creating facilitating conditions for the implementation of the Paris agreement.

In addition to this new political platform, the CPP and the government of the State of Cambodia [SoC] scrupulously pursued a policy of national reconciliation, invited HRH Prince Norodom Sihanouk back to the motherland, and are actively supporting his royal mandate to reconcile the nation in his lofty position as the chairman of the Supreme National Council of Cambodia [SNC]. At the same time, the CPP and the SoC Government officially recognized the prince as Cambodia's legitimate head of state since before 18 March 1970 and voiced their support for his presidential candidacy in the

coming elections. The CPP and SoC Government will carry on the cause of [Prince Sihanouk's pre-1970 party] Sangkum Reas Niyum.

Although we had the upper hand over other Cambodian factions, for the sake of peace and national reconciliation, our CPP and SoC Government fought every obstacle and, so that the people could live in peace again, closely cooperated with the international community and other Cambodian factions until the Paris peace agreement was signed on 23 October 1991. During the implementation of the peace agreement over the past eight months, the Cambodian faction has made all kinds of sacrifice, observed restraint, and cooperated in creating favorable conditions for the UNTAC [UN Transitional Authority in Cambodia], the SNC, and other Cambodian factions to successfully implement the agreement. Most important, we have created facilitating conditions for HRH Prince Norodom Sihanouk, chairman of the SNC, to carry out his national reconciliation mission.

During the implementation of the current second phase, the SoC faction most particularly has displayed its exemplary attitude and sincerity by regrouping its forces in cantonment despite the fact that the Khmer Rouge had refused to cooperate with the UNTAC and to apply the second phase and had continued repeatedly to attack the SoC faction. Although the peace agreement is being threatened because of the provocations by the Khmer Rouge, we are confident that no power can stop the common desire of our people throughout the country and the people in the international community who have worked hard and are working hard in all fields to bring about peace and national reconciliation. We remain confident that peace and national reconciliation will surely return to our beautiful Angkorian motherland.

From the stage of this meeting, we would like to express sincere thanks and admiration to all our party cadres and members, all our combatants, employees, officials, and our people as a whole for making efforts and offering their lives for the cause of defending and rebuilding our beloved motherland and for ushering in many great achievements up to the present, achievements which have become firm foundations for the realization of the process of peace and national reconciliation. We thank friendly countries, near and far throughout the world, and the international community, especially the UN representative and UNTAC chief H.E. Yasushi Akashi, for tirelessly working to promote the implementation of the Paris peace agreement and for showing most profound and sincere affection for and sympathy with our Cambodian people.

On this most solemn occasion, I would also like to express profound and cordial gratitude to the Japanese Government for initiating, and to all countries for attending, the international conference in Tokyo to help rehabilitate and rebuild Cambodia.

The CPP and SoC Government as well as the Cambodian people throughout the country would like to express most profound gratitude to the Japanese Government and to those countries and international organizations for actively contributing to the great success of the conference by making generous donations to Cambodia's reconstruction funds. This caring attitude, sympathy, and readiness to come to the rescue of our Cambodian people constitutes a new attention and great source of encouragement shown by the international community toward Cambodia. Every Cambodian will never forget this historic event.

On this occasion, I would like to appeal to all party cadres and members and to all compatriots to fulfill the tasks entrusted upon them, to contribute further to and more actively assist in the implementation of the Paris agreement, and to closely cooperate with the UNTAC in carrying out all commitments so as to bring about genuine peace and national reconciliation for our motherland. Party committees at all levels must continue to disseminate and implement the party's political platform. For the time being, it is imperative to concentrate on implementing the resolutions of the 15th plenum of the party Central Committee so as to transform the party's political platform into actual actions in the daily life of the country. At the same time, it is imperative to closely listen to and seek timely solutions for all the demands of the people and strive to solve all their growth requirements.

Party cadres and members must do their best to set good examples for the people in work and in daily life so that our party continues to maintain its tradition of being the core for the movements of the masses and staying close to the interests of the masses and people under all circumstances. In particular, during the current rainy season, they must do their best to encourage and create conditions for the people to work hard in the monsoon rice growing campaign so that we can cope with the immediate needs of our community. In other fields, it is imperative to continue raising the spirit of inventiveness to generate new development and progress, both quantitatively and qualitatively speaking. It is imperative to continue promoting work to attract both local and foreign investments and also to win the assistance of the international community.

In conclusion, I would like to express greetings and best wishes to all party cadres and members, to all our armed forces, and to our compatriots both at home and abroad. May all of them enjoy good health and success in all their undertakings. Good health and success to all of you, princes, excellencies, ladies, and gentlemen, who are members of and guests at this meeting. Thank you. [applause]

Circular Marks CPP Founding Anniversary

*BK2706105592 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 2300 GMT
26 Jun 92*

[Circular signed by Chea Sim from the Cambodian People's Party Central Committee on the celebration of the party's 41st founding anniversary; dated 25 June—read by announcer]

[Text] This year we are celebrating the 41st founding anniversary of the Cambodian People's Party [CPP] at a time when our people in and out the country and the international community are following with concern the development of the situation in Cambodia, in particular the progress of the process of implementing the Paris accord aimed at bringing about peace and national reunification in Cambodia. In addition, the political program presented by the CPP to the extraordinary congress in October 1991 has also been enthusiastically welcomed and vigorously implemented by our people and masses across the country and hailed by international public opinion.

To ensure that the celebration of this founding anniversary will be held successfully, the CPP Central Committee wishes to provide the following guidances:

I. Requirements and significance:

A. Cadres who are members of the CPP should be taught to clearly understand that, since its creation, the CPP has remained preponderant and has always linked its existence with the supreme interests of the people and nation. The CPP at all times respects the people's wishes and desires and thinks about the interests of the nation and motherland. When the country and people were experiencing difficulties or facing dangers, the CPP always stood by them and led a struggle for national liberation, salvaging the nation from the disaster of the past. The CPP has constantly and painstakingly led the people and masses for nearly 14 years. In particular, in the most difficult time immediately after liberation, the party saved the people from starvation and strove to restore and rebuild the motherland from scratch. In addition, the CPP has also been trying to prevent the recurrence of the calamity of the past while restoring the country and allowing the people to enjoy full freedom, stabilize their living conditions, and promote their happiness. There is no other party is able to do likewise and this is a truth that no influential forces can expunge.

B. The people and masses should be taught to have a broader knowledge of the CPP's political program, specifically the concrete results the party has achieved via implementation of the program—currently having a powerful influence in motivating multifarious development—such as in the fields of economy, national restoration and reconstruction, politics, democracy, human rights, and freedom of religion. The application of the political program has basically created favorable conditions for the implementation of the peace accord and has

elevated the country's image as well. It is also evidence of our CPP's determination to make all kinds of sacrifices for the execution of the accord with a view to bringing about peace—come hell or high water—and to, at all costs, forestall the poisonous maneuvers of the other Cambodian parties, which intend to throttle and wreck the accord.

C. Party members, cadres, and combatants of our Cambodian People's Armed Forces should be taught to realize that the CPP is a center of national reunification and willing to set up a front with all genuine patriotic forces both inside and outside the country. Thanks to the CPP's patriotism and endeavors, negotiations began, the Paris accord was signed, and His Royal Highness [HRH] Prince Norodom Sihanouk was invited to return to the country, then conferred with the title of head of state as in the era before 1970.

II. Organization and Implementation:

A. Meetings with the people and masses should be expanded. Leaders of party committees at the central level and in provinces and cities and canvassers should be sent out to meet the people and masses at factories, enterprises, communes, wards, schools, and armed units, to listen to their views, and to inform them about latest development of the accord's implementation and significance of the CPP Central Committee's 15th congress. Along with this, efforts should also be displayed to resolve differences and answer the requests of the people and masses.

B. Masses, cadres, and staff members at various local units should be motivated to intensely carry out their tasks so as to jointly enhance the implementation of the Paris accord in close cooperation with the UN Transitional Authority in Cambodia and the other Cambodian parties to bring about peace for the nation and motherland in a spirit of national reunification. The party that remains stubborn, however, and continues to refuse to abide by the accord, intent on hindering the nation's peace, must be denounced. And energetic preparations should be made to vigorously and successfully promote productivity and this year's rainy-season rice cultivation.

C. Organization of party committees at all levels should be bolstered. In particular, party membership should be expanded by scrapping unnecessary red tape. But opportunists who engage in foul play to become party members for the purpose of destroying the party should be forestalled once and for all. Efforts to issue party membership cards should be stepped up and the quality and activities of party chapters should be increased.

D. A meeting at the central level should be organized on 28 June 1992, and representatives of party organization commissions, party members, armed units, representatives of social groups, and outstanding families should be invited to the gathering. The committee for organizing national and international festivities should cooperate with the concerned departments to arrange for the meeting.

E. Delegations from the party, the state, and the social groups should be sent out to visit and talk with wounded and disabled combatants, families of fallen combatants, and various allied armed units.

F. The Information and Press Ministry, the Cultural Ministry, newspapers, radio, television, and the SPK Press Agency should work out plans to disseminate the aforementioned from 26 June 1992 to 10 July and also publicize the commendable accomplishments of the party elite.

G. Documents on the achievements of the CPP over the past 14 years, resolutions adopted by the CPP Central Committee's 15th congress, and a concise history of the CPP should be illustrated.

All levels and sectors should abide by the circular and respectively submit a report on the outcome of the celebration to the Standing Committee of the CPP Central Committee later.

Slogans:

1. Enthusiastically Welcome the 41st founding anniversary of the Cambodian People's Party (28 June 1951-28 June 1992)!
2. Resolve to successfully implement the political program of the party!
3. Long live peace and national reunification!
4. Resolve to implement the Paris 23 October 1991 accord!
5. The Cambodian People's Party always stand by the supreme interests of the nation and the motherland!
6. The Cambodian People's Party to continue the cause of the Sangkum Reas Niyum [movement]!
7. Long live the Cambodian People's Party!
8. Long live the glorious State of Cambodia!

[Dated] Phnom Penh, 25 June 1992.

[Signed] For the Standing Committee of the Cambodian People's Party Central Committee: Chea Sim, chairman.

CPP Receives Greetings From SRV Counterpart

BK0107083792 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
1 Jul 92

[Message of greetings to the Cambodian People's Party Central Committee from the Communist Party of Vietnam Central Committee; date not given—read by announcer]

[Text] We would like to convey to the Cambodian People's Party [CPP] and the Cambodian people warmest greetings on the 41st founding anniversary of the CPP and on behalf of the Vietnamese communists and people. Over the past four decades, under the CPP's leadership, the Cambodian people have marched along a stretch of road abounding with difficulties and trials and have achieved great success in the struggle for national

independence and freedom, and in the survival and reconstruction of the country.

The Communist Party of Vietnam [CPV] and the Vietnamese people wish to express their pleasure with the achievements gained by the Cambodian people. They firmly believe that in this new situation, the Cambodian people will succeed in implementing the Paris peace accord on Cambodia, thereby achieving national reunification with a view to rebuilding a Cambodia endowed with peace, independence, neutrality, and nonalignment, and having good relations with all countries in the world, especially with its neighbors. This will contribute to the safeguarding of peace, stability, and cooperation in Southeast Asia and the world.

As in the past, the CPV and the Vietnamese people pledge to continue, both mentally and physically, their efforts to promote and consolidate the traditional relations of friendship between the two parties and peoples on the basis of respect for each country's independence, sovereignty, equality, and interests.

Availing ourselves of this opportunity, we wish to express our gratitude to the CPP and the Cambodian people for their constant, wholehearted support of the Vietnamese people.

May the relations of solidarity and friendship between the parties and peoples of the two countries ever strengthen and expand.

Cease-Fire Violations in Preah Vihear, Battambang

SRV Reportedly Sends Ammunition

BK0107012192 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 30 Jun 92

[Excerpt] According to a report from Preah Vihear Province, the yuon [derogatory term for Vietnamese] invaders sent two planeloads of ammunition and war material from Phnom Penh to the province on 27 June. The shipment—consisting of B-40 rockets, assorted artillery shells, and other war equipment—is the fourth one since 14 June 1992. [passage omitted]

'Hundreds of Troops' to Route 10

BK0107013492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 30 Jun 92

[Excerpt] According to a report from Route 10 in Battambang Province, the yuon aggressors and Phnom Penh puppets recently sent many hundreds of troops from Division 95 to the route to launch offensive attacks against the Cambodian national resistance forces. This is clear evidence that the yuon aggressors and puppets have not implemented the Paris accord in the least. [passage omitted]

Indonesia

French Minister on KR-UNTAC Non-Cooperation

BK2706045992 Jakarta ANTARA in English 0429 GMT 27 Jun 92

[Text] Jakarta, June 27 (OANA-ANTARA)—French Junior Foreign Minister Georges Kiejman has said that the Khmer Rouge [KR] will be responsible for the consequences if they refuse to cooperate with the UN Transitional Authority in Cambodia (UNTAC). He made this statement here on Friday after chairing the working meeting of ten French ambassadors posted in Indonesia and nine other countries in Southeast Asia.

A number of fitting steps are necessary, including imposition of economic sanctions and the closure of the Khmer Rouge radio, to force this group to respect and implement the peace agreement on Cambodia in accordance with the Paris meeting in 1991, he stressed.

With regard to the economic sanction, the resistance faction led by Khieu Samphan will not receive a single cent from the contribution funds earmarked for the development of Cambodia as fixed at the seminar on Cambodia in Tokyo recently.

If necessary, the funds owned by the Khmer Rouge will also be frozen, he said.

Minister Kiejman also remarked that stronger measures might be taken if the Khmer Rouge obstructed or refused the UNTAC to visit the territory under their control.

The most difficult task and which most probably cannot be prevented, is to ask UN force to enter the territory controlled by the Khmer Rouge with all the possible risks.

If the Khmer Rouge attack the UN (peace-keeping) force, the UN force has to defend itself, he said.

Kiejman expressed the hope that the Khmer Rouge and the other conflicting resistance factions in Cambodia would sign the peace agreement, which was drafted by the UN, on July 2, 1992.

The French junior minister during his two-day stay in Indonesia made a courtesy call on President Suharto and met a number of ministers and other top officials.

Amnesty Concerned at Acehnese in UNHCR Office

BK2906063192 Hong Kong AFP in English 0610 GMT 29 Jun 92

[Text] Kuala Lumpur, June 29 (AFP)—Amnesty International has expressed concern over the plight of 43 Acehnese holed up at the office of the United Nations High Commissioner for Refugees (UNHCR) here to press their demand for asylum.

In a statement received here Monday, the London-based human rights organisation said it believed that at least

some of the Acehnese risked serious human rights violations if they returned to Indonesia.

The group, including women and children, entered the UNHCR compound a week ago and have since refused to leave unless they are declared refugees or granted political asylum.

"They will not budge until granted refugee status," an official of the Aceh Merdeka or Aceh Independence movement told AFP.

Aceh Merdeka officials say hundreds of their supporters have been arrested and imprisoned without trial while others have been tortured and executed in the troubled northern Sumateran province, claims the Indonesian Government denies. Amnesty International said some 400 Acehnese have been detained by Malaysian authorities since early 1991 and that an unknown number have been returned to Indonesia.

Malaysia has acknowledged sending back some Acehnese but denied forcibly repatriating anyone.

"Amnesty International urged the Malaysian Government not to forcibly return any Acehnese asylum-seekers and to ensure that all Acehnese claims for asylum are fully and impartially examined," Amnesty International said in its statement.

Amnesty International also urged the Malaysian Government to fully cooperate with the UNHCR in examining claims by the 43 occupying the U.N. compound.

"Such a process is essential if the authorities are to identify those among the Acehnese who would be at risk if returned to Indonesia and who should be given effective and durable protection," it said.

Acehnese sources said they were worried that a Malaysian Government move to register all illegal immigrant workers by Tuesday and deport those unemployed might endanger several hundred Acehnese living in peninsular Malaysia.

"We are awaiting expiry of the June 30 (1992) deadline to see what will happen," an Aceh Merdeka source said. "We should not be classified as economic migrants because we have been forced to flee our homeland."

Amnesty International said it was concerned over reports that 172 Acehnese were sent home in 1991 and this year despite assurances from the Malaysian Government that no one would be forced to return to Indonesia against his wishes.

Laos

Japanese Delegation Arrives for 4-Day Visit

BK0107104692 Vientiane KPL in English 0919 GMT
1 Jul 92

[Text] Vientiane, July 1 (KPL)—A high-level delegation of the Japanese Government led by its minister of state,

director general of the National Land Development Agency, Mr. Yoshiyuki Toya, arrived here on June 30 for a four-day goodwill visit to the Lao PDR [People's Democratic Republic] at the invitation of the government.

While in Laos, the Japanese delegation will pay courtesy visits to senior Lao leaders to exchange various ideas related to solidarity, friendship and assistance between Laos and Japan.

In addition, the delegation will visit historical sites and economic bases in Vientiane Municipality and in Vientiane Province especially the Japanese Government funded projects such as Nam Ngum Hydropower Dam, the Ngon Plain Irrigation Project, and Thong Pong Ophthalmology Hospital.

On the same evening, the Japanese delegation was received at Lan Xang Hotel by Mr. Khamphoui Keoboulapha, vice prime minister and minister of economy, planning and finance.

Official Sends Condolence Message to PRC

BK0107121292 Vientiane KPL in English 0859 GMT
1 Jul 92

[Text] Vientiane, July 1 (KPL)—The president of the Lao Front for National Construction Committee, Mr. Maisouk Saisompheng has sent a message of condolences to the Chinese People's Political Council to express grief over the death of its president, Li Xiannian. Li Xiannian passed away on last June 21.

Maisouk Saisompheng, speaking on behalf of the front leadership and the entire Lao people, expressed his sorrow to hear the news and asked to share the grief with the bereft family.

Government 'Dissatisfied' With Thai Investors

BK3006053392 Bangkok BANGKOK POST in English
30 Jun 92 p 22

[Text] Vientiane—The Laotian Government is dissatisfied with Thai investors, saying most of their businesses do not meet the country's needs for agricultural industry production plants or infrastructure development.

Chairman of the advisory board of the Lao People's Revolutionary Party, Phoumi Vongvichit, told a group of Thai reporters in Vientiane recently that most Thai investors' businesses were involved in the entertainment industry, including bars.

His Government wanted to promote infrastructure-development investments because the country needed better infrastructure to attract foreign investors.

"The investments from Thailand do not serve the country's needs," he said, adding that now was a good time for Thai investors to set up plants here because they could enjoy low labour costs.

Laos still needed foreign investment to enhance its economy and to create added value for its agriculture products.

He said Thai investments also should not destroy the environment.

"We have lots of natural resources to serve foreign investors," said Mr Phoumi. Investors from Japan and Taiwan were interested in setting up production plants, including garment manufacturing factories, in Laos.

The Laotian Government still promoted foreign investment on a joint-venture basis, which could be with either foreign private firms or governments.

The Government had also agreed to allow foreign firms to form joint ventures with private Laotian companies as part of its liberalisation policy to enhance the Laotian economy, Mr Phoumi said.

"The Government has issued a new investment law to protect foreign investors here, increasing the foreigners' confidence," he said.

Mr Phoumi said the Government was also interested in tourism projects, but the level of infrastructure was not sufficient to fully-develop the industry.

The managing director of authorised Mitsubishi vehicle distributor MMC Thip Trading Export-Import Ltd, Silsai Chouthathip, said many Thai investors had failed to close business deals with Laotian companies because they only wanted to act as brokers. The Government expected them to develop businesses, he said.

Meanwhile, competition in the banking industry in Laos is likely to become stronger, with the Thai Military Bank and Siam commercial bank planning to establish branches there.

But a Thai-Laotian banking joint venture, the Joint Development Bank, says it is not concerned about competition from other Thai banks because it believes more banks will encourage the market to expand.

Joint Development bank deputy manager Sitthichai Hongwanit said there were several opportunities for Thai banks to develop the financial market in Laos and his bank alone could not capture the fast-growing banking market.

During the past two years, Mr Sitthichai said, the banking industry in Laos had developed quickly. The Laotian government had tried to develop the banking industry systematically.

For example, the Government had narrowed the gap between official and black market exchange rates for the kip and foreign currencies.

"The official rate is 690 kip per US\$1, while the black market offers about 720 kip," he said. The exchange rate

was the most important problem for the Government to solve as part of its efforts to encourage tourism, business and investment.

The Laotian Government had controlled the number of foreign exchange outlets, forcing the businesses to upgrade their services. Currently, most Laotians keep their savings in their homes because they are unsure of the banking system.

"If saving money in the bank (becomes) acceptable to the people, there will be a lot of business opportunities," he said.

The Laotian National Bank controls the interest rates on kip currency deposits and loans, but the rates for Thai baht and US dollars depend on the market situation.

Somlat Chanthamat Addresses Youth Union Meeting

BK3006114692 Vientiane KPL in English 0900 GMT 30 Jun 92

[Text] Vientiane, June 30 (KPL)—Somlat Chanthamat, Politburo member of the Lao People's Revolutionary Party Central Committee, head of the Party Central Committee's Propaganda and Training Board, on June 27 gave talks to participants of the 5th plenary meeting of the Central Committee of the Lao People's Revolutionary Youth Union held in Vientiane recently.

Somlat Chanthamat, in his talks, pointed to topical issues happening in the world, especially the schemes of the enemy attempting to undermine the stability of the country. He said that the youths must be active in preventing such schemes.

He also called on the youth organisations at all levels to further educate and train youths in accordance with the renovation policy of the party in order that they can become a generation to continue the revolutionary cause of the party.

Philippines

Good Days' of Relations With U.S. Said 'Over'

HK0107104492 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 1 Jul 92

[By Rey Arquiza; italicized passages in English]

[Text] The good days of Philippine-U.S. relations, according to incoming Foreign Affairs Secretary Roberto Romulo, are over. The nation's interests are now with Japan, which not only helps the Philippines but other Asian countries as well. *Japan will continue to be a vital partner of the Philippines*, Romulo said.

Romulo believes that the country should continue to expand its trade relations with Japan in the coming months. *Whether you like it or not, Japan will be there*, Romulo added. He also said Japan could greatly help in

the economic development of our country, thus our trade relation with the country should be improved.

It can be recalled that our government had earlier expressed concern over Japan's strengthening of its military and its sending of troops overseas. Romulo refused to comment on this issue. However, he said he would look into the controversial issue.

✓ **Rebels Free Kidnapped Former U.S. Army Captain**

*HK0107020692 Manila MANILA BULLETIN
in English 1 Jul 92 p 8*

[Text] Communist guerrillas freed yesterday a former U.S. Army captain after holding him captive for more than 20 months in the northern Philippines, a Filipino priest said.

Father Rick Baccay said Arvey Duane Drown, 63, of Colorado, California, was unharmed and apparently in good condition when the guerrillas turned the American over to him and two other Roman Catholic priests in Kalinga-Apayao province.

Drown was abducted by New People's Army (NPA) rebels in October 1990 at a guerrilla checkpoint in Cagayan, near Kalinga-Apayao.

He was released in a guerrilla-controlled village in Kalinga-Apayao. Baccay said by telephone from his office in the Cagayan capital Tuguegarao.

"We just went there and they gave us Arvey without any conditions," Baccay said, "From what I saw, he looked good and healthy."

He said the local bishop had turned Drown Over to U.S. embassy officials. An embassy spokesman said the embassy had received reports about Drown's release but was still trying to confirm it.

Baccay said the release was the result of negotiations since last December between local church leaders and the NPA, which has been fighting for a Marxist state for 23 years.

The NPA earlier demanded a military pullout from some villages in Kalinga-Apayao and a ceasefire as a condition for freeing their captive, but the military refused.

It was not immediately known what persuaded the rebels to finally free Drown.

The guerrillas had suspected Drown of helping the government in its anti-insurgency campaign.

Japanese To Help in Solving Power Shortage

*OW0107081292 Tokyo KYODO in English 0615 GMT
1 Jul 92*

[Text] Manila, July 1 KYODO—Former Japanese Prime Minister Toshiki Kaifu Wednesday assured new President Fidel Ramos that Japan will continue to give assistance to the Philippines to solve the power crisis plaguing the country.

In a news conference with Japanese reporters after his meeting with Ramos at the presidential palace, Kaifu said he presented proposals for new loans to finance the country's power projects.

Kaifu, who conveyed Prime Minister Kiichi Miyazawa's best wishes and continued cooperation to the new administration, said Japan is ready to send a team of experts to study the root causes of the country's power shortage. Kaifu represented Japan at Ramos' inauguration ceremony Tuesday.

The team's findings will help in major rehabilitation efforts on the country's total power supply system, he said.

Ramos, who had promised to give priority to the energy problem in his election campaign, instructed his cabinet in the first staff meeting Tuesday to look for funding for the country's energy plans.

The Japanese representative, however, encouraged the new administration to continue paying back its debts to foreign creditors "for continued assistance from the international community."

Kaifu, who met with local Japanese community leaders before meeting with Ramos, also encouraged the new government to develop infrastructure and improve civil order, two problems widely considered a deterrent to major investments in the country.

South Korea Warns Against Ties With North

*HK0107061992 Quezon City ABS-CBN Broadcasting
Corporation DZMM in Tagalog 0400 GMT 1 Jul 92*

[Text] South Korea has warned against the Philippines establishing diplomatic relations with North Korea.

The warning was given by former prime minister No Sin-yeon to President Fidel V. Ramos in their meeting in Malacanang.

The former prime minister said North Korea should not be recognized by the international community until it allows other countries under the International Atomic Energy Agency to visit its nuclear plants.

South Korea believes North Korea is into nuclear fission, the reason for its violating international rules in its nuclear plants.

He said all countries should make it known that they will not recognize North Korea until it follows international community rules.

Israel Reportedly Phasing Out Contract Workers

*HK2906042292 Manila MANILA BULLETIN
in English 28 Jun 92 p B-26*

[By Romy V. Mapile]

[Text] Filipino contract workers and other employment opportunities in Israel are being phased out by the Israeli government, it was announced by the Department of Foreign Affairs [DFA].

The announcement came shortly after the Philippine Overseas Employment Agency (POEA) issued the decision lifting the ban on Filipino contract workers to Libya.

The DFA stated that some 1,200 foreign construction workers are being asked to leave Israel by the Interior Ministry upon the termination of their work permits in the country.

Ambassador Amante R. Manzano reported that Radio Israel, the government station, had broadcast the rejection of the requests by construction companies to allow foreign workers to stay.

The POEA lifting of the ban on Filipino contract workers to Libya had been propped up by RP [Republic of the Philippines] moves to seek exemption from the United Nations sanctions against Libya which started April 15.

The government had cited Article 50 of the UN Charter in seeking exemption from the ban imposed by the Security Council, on the grounds of unnecessary, extraordinary economic burdens to the country.

The RP embassy in Tel Aviv explained that the implications of the Israel announcement is clear. "If the foreign construction workers will be unable to stay, there will be no more hiring of Filipino workers this year."

Ambassador Manzano reported that another 2,000 foreign workers are scheduled to depart from Israel in July and 3,000 more will remain only until the end of the year.

Diplomatic circles believe that the developments in the Israeli government is a retaliation against some countries which continue to resist the UN-SC [Security Council] sanctions against Libya.

They said the government is forced to allow Filipinos to work in Libya, despite the sanctions, in order to provide alternative employment to the thousands who lost their jobs from the U.S. bases.

The Libyan government, on the other hand insists that the UN-SC sanction was initiated by the United States, United Kingdom and France in order to weaken Libya's strategic position against its sworn enemy, Israel.

Foreign Affairs Secretary Manglapus had assured that the RP government would abide by the UN sanctions but pointed out that there are very credible reasons why RP should be granted consideration by the world body.

Manglapus said evacuating the Filipino workers and their families, numbering 40,000, from Libya may be too extraneous [as published] for the government now suffering from serious economic difficulties.

Manglapus added that the Filipinos now living in Libya have expressed their desire to stay, regardless of the sanctions, "and there's really nothing we can do about that."

He also said the government does not favor the expulsion of the Libyan diplomatic mission in RP because there are just too many Filipinos in Libya and that the "diplomatic missions operate on a reciprocal basis."

Ramos Inducts Cabinet in Malacanang Rites

*HK0107055092 Manila MANILA BULLETIN
in English 1 Jul 92 p 1*

[By Isabel C. de Leon]

[Text] President Ramos swore into office yesterday the members of his Cabinet, seven of them in an acting capacity, in simple rites at Malacanang to signal the beginning of his administration.

The new Cabinet members are: Peter Garrucho Jr., executive secretary and presidential adviser on energy affairs; Franklin Drilon, secretary of justice; Ramon del Rosario Jr., secretary of finance; Jose de Jesus, secretary of public works and highways; Rizalino S. Navarro, secretary of trade and industry; Ernesto D. Garilao, secretary of agrarian reform;

Renato de Villa, secretary of national defense; Rafael Alunan III, secretary of interior and local government; Cielito Habito, director general of the National Economic Development Authority; Armand Fabella, secretary of education, culture, and sports; Dr Juan Flavio, secretary of health; Jesus Garcia Jr., transportation and communication; and Rod T. Reyes, press secretary.

Those who took their oath of office in acting capacity were: Roberto Sebastian, secretary of agriculture; Ma. Nieves Confesor, secretary of labor and employment; Victor Ramos, secretary of natural resources; Narzalina Lim, secretary of tourism; Salvador M. Enriquez Jr. secretary of budget; Ricardo Gloria, secretary of science and technology; and Corazon de Leon, secretary of social welfare and development.

Other appointees were: Magtanggol Gunigundo, chairman of the Presidential Commission on Good Government; Jose Almonte, director general of the National Security Council and presidential security adviser; Jose Ong, commissioner of the Bureau of Internal Revenue; Eduardo G. Montenegro, acting solicitor-general; Teofilo Asuncion, acting administrator of the Metropolitan Waterworks and Sewerage System;

Daniel Lacson, presidential adviser on rural development; and Antonio Carpio, chief presidential counsel with the rank of Cabinet secretary.

✓ **Ramos Wins Initial Support From Organized Labor**

HK0107052592 Manila THE CHRONICLE in English
1 Jul 92 p 3

[By Norman Sison; italicized passages published in Tagalog]

[Text] Organized labor has generally given President Fidel Ramos the thumbs-up sign, saying that so far, he was on the right track.

Ramos has already listed the energy problem and the economy as top priorities, which the Trade Union Congress of the Philippines [TUCP], Federation of Free Workers [FFW], Lakas Manggagawa Labor Center [LMLC—Workers' Power Labor Center] and the militant Kilusang Mayo Uno [KMU—May First Movement] are expecting the new President to tackle during his first 100 days in office.

FFW had supported Ramos in his presidential bid. The LMLC went for former Senate President Jovito Salonga while the TUCP was for Speaker Ramon Mitra. The KMU did not support any presidential candidate.

The labor groups also hope that the new administration will give workers a more substantial representation in policy-making, saying this was in line with Ramos' campaign pledge of "people empowerment."

They added that Ramos, unlike President Aquino, has initially shown decisiveness in filling up Cabinet posts and other government agencies.

But KMU Chairman Crispin Beltran said the issue was not whether Ramos was taking the right tack, but whether he would be true to his campaign promises.

"What I am saying is he is not a new political phenomenon, because he has been a major part of it for the last several years—most especially during the time of Marcos' and Aquino's presidencies," he explained.

FFW chairman Felicisimo Joson said that "in terms of priorities, No. 1 is the energy problem, because this is affecting the workers directly in terms of productivity and employment."

LMLC chairman Daniel Edralin said that, while resurrecting the Department of Energy was the first step toward solving the power question, the problem boiled down to the dismal financial status of the National Power Corporation.

Joson also urged Ramos to have a "far-reaching outlook" in labor-management relations spanning the next 10 to 15 years.

Along this line, TUCP president Democrito Mendoza said his group would present to Ramos a labor agenda.

"Yes, at the appropriate time we can present to the government a wide-ranging reform (program) of the industrial-relations system in the country, to create a climate for more liberalization of trade unionism," he said.

All four labor leaders said they hoped Ramos would give labor a more substantial role in decision-making, consistent with his consensus-seeking meetings with various organizations.

They underscored the importance of consensus, noting that Ramos has the smallest mandate in Philippine history, with only 24% of the vote.

Mendoza said: "His first order of business is to unify the people since we are fragmented, and he should be a President who is above all partisan politics."

Edralin said: "We would welcome a dialogue with him either with LMLC alone or with the Labor Advisory Consultative Council, so we will know his administration's direction as far as labor policies and programs are concerned, particularly on trade-union rights."

The LMLC leader hopes that consultation with workers and representation in government policy-making bodies will be "institutionalized" because it is "a great step towards people empowerment."

Beltran said: "If he is there, and from the people's point of view, and workers are part of that, that he is in the right, he need not wait for our cooperation, we are already there."

But he added: "But if it will only be dictated to us—most of all, it is we who are repressed and exploited—that is not how we view people empowerment."

Ramos To Invigorate Mindanao Economic Development

HK2606132792 Manila DZXL Radio Mindanao
Network in Tagalog 0700 GMT 26 Jun 92

[Text] President-elect Fidel Ramos will bring Malacanang nearer to Mindanao to invigorate efforts to attain peace and economic progress in Muslim areas. Ramos said he will not ignore Mindanao because it was one of the areas that gave him big votes. He will allegedly bring the government closer to Mindanao and respond to all the problems and needs of the people there. Ramos' priority is to review the Mindanao Economic Development Authority for the region's development, saying he will make sure this will conform with the Local Government Code and the proposed central authority for Mindanao. He believes that the moment prosperity is achieved, tension would automatically cool off in the south.

Aquino Leaves 43 Billion Peso Deficit

HK2906062092 Manila MANILA BULLETIN
in English 28 Jun 92 p b1

[By Fil C. Sionil]

[Text] The Aquino government spent P1.147 trillion [pesos], including this year's P263.2-billion programmed expenditures, during its six-year term.

In contrast, total revenue collections between the period [as published] in review including the projected P254.2 billion this year, only aggregated some P1.104 trillion.

Thus, the Aquino administration leaves behind an accumulated deficit of P43.3 billion in the last six years.

Government figures indicate that public spending accelerated between 1986 and 1989, almost doubling in three years.

Some P9.4 billion was added to the 1987 budgetary expenditures to P119.9 from P110.5 billion in 1986. In 1988, another P16.2 billion had to be raised to [as published] for a total expenditure of P136.1 billion.

The following year, spending hit P172.0 billion, representing a hike of 26.37 percent or P35.9 billion more.

The highest increment was recorded in 1990, a year after the bloodiest attempt to overthrow the Aquino government, as government disbursement rose by P46.1 billion to reach P218.1 billion.

However, the statistics also indicated that during the past two years between 1990 and 1991 expenditures increment tapered down to only P29.9 billion in 1990 amounting to P218.1 and P16.1 billion in 1991 with total expenditures of P247.1 billion.

Aggregate revenue collections was only P1.104 trillion with the highest figure recorded last year of P220.8 billion and the lowest was posted in 1986 with a mere P79.2 billion.

In 1986 total cash shortfall amounted to P31.3 billion but it went down to only P16.7 billion the following year.

However, it fluctuated in 1988 from a low of P16.7 billion cash shortfall the previous year to P23.2 billion, while it went up again in 1990 by P19.6 billion.

Similarly, it was in 1990 wherein [as published] the highest budgetary shortfall was recorded at P37.2 billion with total revenues only amounting to P180.9 billion as against the total expenditures of P218.1 billion.

Second cash shortfall was posted last year with P26.3 billion with expenditures aggregating P247.1 billion against the total revenue collections of P220.8 billion.

Cardinal Sin Assures Ramos of Church's Support

HK3006022792 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jun 92

[Text] Manila Archbishop Jaime Cardinal Sin assured the Ramos administration of the Catholic Church's cooperation. However, the archbishop stressed that to ensure the smooth relation between the church and the government, the Ramos administration's policies must

be in line with the Catholic Church's laws. Sin said that during the first 100 days of Ramos' administration, the people will only be observing its performance [as opposed to criticizing it].

Says Relationship 'Beautiful'

HK2906094492 Hong Kong AFP in English 0933 GMT 29 June 92

[Text] Manila, June 29 (AFP)—Philippine Roman Catholic leader Jaime Cardinal Sin said Monday that he had a "beautiful" relationship with Fidel Ramos, who will be the country's first Protestant president, but will not try to convert him.

Sin, who had strongly opposed Ramos' candidacy in the May 11 polls, said it was time to unify behind the new leader of this predominantly Roman Catholic country, who will take over from President Corazon Aquino on Tuesday.

"We will cooperate with him as far as we are able to do so," he told journalists, adding that "our relationship is beautiful."

Asked if he would try to convert Ramos to Catholicism, to which more than 80 percent of the 62 million Filipinos belong, the archbishop of Manila replied: "Ah no, that comes from God. Conversion is a gift of God, not mine."

Aquino, a devout Catholic, was installed as president after the late strongman Ferdinand Marcos was ousted in 1986 by a popular revolt backed by Sin and led by Ramos and other military mutineers.

Fewer than five percent of Filipinos are Protestant. Moslems form the biggest religious minority.

Sin had opposed Ramos' candidacy because of his role in the martial law regime of Marcos, but blamed the press Monday for playing this up.

"We have to comment, we have to discern (during the campaign), but after election, when we know that somebody was elected, then we should be unified, we should be united," he said.

Presidential Crime Commission To Be Different

HK2706061892 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 27 Jun 92

[Text] The Presidential Commission on Crime is distinct from any other established police agencies in the country. This was emphasized by Vice President-Elect Joseph Estrada in an interview with DZMM.

According to Estrada, the crime commission he will head will not be just like the National Bureau of Investigation nor the Criminal Investigation Service, believing that it is higher than the agencies mentioned. In view of this, Estrada reiterated he will not be threatened by anyone during his duty as a crime buster. Estrada said:

[Begin Estrada recording] I will not be pressured by any influential person or politician. I will not be influenced by them.

We will start with the problem of crimes committed by hoodlums in uniform who have had an adverse effect to our peace. [end recording]

Meanwhile, Estrada has assured that he will clean up the police force thoroughly in view of continuous police involvement in crimes. He also mentioned undesirable police elements who abuse their duties. He added that the whole police force is affected by the involvement in illegal activities of certain scalawags in the service. Estrada said:

[Begin Estrada recording] You cannot prevent a cover-up when a policeman is at fault and another is assigned to investigate. This has always been happening. This is why an anticrime commission must be created, because it has no proposition that any politician, police, or military will be given protection to cover up for crimes. [end recording]

Estrada Has Police Support

HK2706064492 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 27 Jun 92

[By Henry Omega Diaz; italicized passages in English]

[Text] In line with the statement this morning of Vice President Joseph Estrada that he will clean up police ranks right after taking over the Anticrime Commission, the Philippine National Police [PNP] said today they support Estrada's drive.

Senior Superintendent Reynaldo Wycoco, PNP spokesman, said this statement came directly from PNP Director General Cesar Nazareno.

Wycoco said the roles of the commission and the PNP were discussed in a meeting last night between PNP officials and President-Elect Fidel V. Ramos.

Wycoco did not disclose details of the meeting, although he said the new president is set to issue an order specifying the role of the commission.

[Begin Wycoco recording] *I can speak for the director general. We fully support the newly designated commissioner, Vice President Joseph Estrada. It is also our program—to improve peace and order. This setup will help us a lot because a high government official will be in charge. So we can get the support of all the agencies of the government. There will be coordinated efforts of all the pillars of the criminal justice system.* [end recording]

AFP, PNP Confident of No Major Reorganization

HK2706041692 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 26 Jun 92

[Text] The military and police are confident that no major reorganization will be made when Cory Aquino's term ends.

General Lisandro Abadia, Armed Forces of the Philippines [AFP] chief of staff, and Major General Gerardo Flores, Philippine National Police [PNP] deputy chief for operations, said no changes will be made in the leadership of the AFP or the PNP.

Abadia and Flores both mentioned that President-Elect Fidel Ramos is confident about the capabilities of the police and the military based on results of the anti-insurrection campaign.

10 Filipino Muslims Missing in Afghanistan

HK2606134092 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT

[Text] Ten Filipino Muslims who helped the Afghan guerillas to bring down the Kabul government, are missing.

This was learned from the Department of Foreign Affairs after their relatives sought assistance from the Philippine embassy in Islamabad.

The Philippines has no diplomatic relations with Afghanistan, although the government recognizes the Islamic government set up by the Afghan rebels.

Reports said two of the missing Filipino Muslims are members of the Islamic Movement of the Philippines, while the other eight were former contract workers in the Middle East.

Earlier, the Philippine embassy in Afghanistan [as heard] reported that a Filipino Muslim was killed and three others were wounded when the rebel positions were bombed.

One of those killed was identified only as Susian who was buried in a town near Peshawar.

Abadia Wants Consultations Before Granting Amnesty

HK3006122792 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 30 Jun 92

[Text] General Lisandro Abadia, Armed Forces of the Philippines chief of staff, has emphasized that the Ramos administration must first consult with the military leadership before implementing any amnesty program for rebel soldiers.

Abadia belittled the capability of the Revolutionary Nationalist Alliance [RAM] to recruit new members from the ranks of active servicemen for an alleged plan to overthrow the government.

According to Abadia, there is now unity in the military and this is why there are no more reasons for the rebels to launch a coup. He added that operations against members of the RAM are still ongoing.

On the other hand, Abadia clarified that his position about selective amnesty would be based on the decision of the new commander in chief, President Fidel V. Ramos.

Communist Rebels Release Two Hostages in Davao

HK3006022892 Manila PHILIPPINE DAILY INQUIRER in English 30 Jun 92 p 6

[By Carolyn O. Arguillas]

[Text] Davao City—The communist New People's Army [NPA] freed over the weekend two officials of an American-owned desiccated coconut firm which the NPA raided Monday last week.

Constancio Galinato, 41, comptroller and deputy plant manager of the Franklin Baker Company of the Philippines, and Rustico Jimeno, 46, chief security officer, were presented to newsmen by the plant manager Sunday [28 June] afternoon.

"We were released after satisfactorily explaining our roles in the company," Galinato said.

Both were declared in good health by their company doctor.

Cesar Acosta, plant manager, said the firm, located in Coronon, Sta. Cruz, Davao del Sur has temporarily stopped operations. An estimated P30 million worth of property was destroyed when 30 communist rebels raided the plant at around 4:30 PM on June 22.

The rebels, who were all in military uniform, knocked at the firm's gate and said they were looking for a member of NPA "Sparrow Unit."

Security guards allowed them in and the rebels immediately disarmed them and seized 10 firearms.

Maj. Vicente Zafra, Sta. Cruz police chief, told reporters the NPA blasted the Caterpillar engine of the firm's power generating set, burned the company's service vehicle, strafed the firm's water tank and damaged "all communication facilities."

Galinato and Jimeno said they suffered muscle cramps from five days of hiking.

Galinato said one Kumander Benzar, believed to be the leader of the rebels, informed them at 10 AM Saturday that they would be freed.

Acosta said no negotiations ensued between the company and the rebels.

Communist Front Opposes Nuclear Plant Operation

HK2606132592 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT

[Text] The National Democratic Front [NDF] has questioned the plan by president-elect Fidel Ramos to reopen the Bataan Nuclear Power Plant.

The NDF said this is possibly Ramos' way of repaying the financial contributions made by Westinghouse Corporation to his campaign.

The NDF said it is unjust for a country's leader to do this since it involves national interest. It said billions of pesos will be shouldered by the Filipino nation for the plant's operation.

The NDF said the only measure it supports is the implementation of genuine national industrialization and modernization of the country's agriculture to resolve the present energy crisis. [sentence as heard]

Thailand

Editorial Urges Against 'Cornering' Khmer Rouge

BK2606025392 Bangkok BANGKOK POST in English 26 Jun 92 p 4

[Editorial: "'Cornering' the Khmer Rouge Would Be Folly"]

[Text] The Khmer Rouge have been threatened with economic sanctions for disrupting the peace process in Cambodia but it remains to be seen if the faction will bend to pressure. The guerillas have refused to conform with phase 2 of the United Nations-brokered peace accords signed in Paris last October. The crucial phase, which began on June 13, calls for the disarming and cantonment of troops of all four Cambodian factions involved, or some 200,000 armed men.

The Khmer Rouge recalcitrance prompted the threat of sanctions from France, which played a key role in negotiations leading up to the peace settlement. Step one of a proposed strategy calls for the Khmer Rouge to be denied any share of the 880 million US dollars in international aid pledged in Tokyo on Monday.

Step two would have the guerrillas isolated from their main sources of income drawn from illicit trading in gems and timber along the border with Thailand. The third and final step proposes the freezing of the financial assets of the Khmer Rouge overseas, believed to amount to several hundred million dollars.

The proposal offers remedial action that might be effective on desperate rebels who have fallen on hard times. But the Khmer Rouge are not that. They have sources of income and they have shored up political as well as military clout over decades of guerrilla warfare and years of tough negotiation. They sit on the Supreme National Council (SNC) that is designated to work with the

United Nations Transitional Authority [in Cambodia] (UNTAC) in the interim period before general elections next April or May.

More importantly, they are not seen to be without substance in their argument.

The guerrillas are holding out against the military aspects of the peace accords pending fulfillment of two main conditions: verification of the withdrawal of Vietnamese troops and power-sharing of five key ministries important to the general elections.

The demand for verification of the Vietnamese troop withdrawal is widely seen as spurious. The Vietnamese announced the completion of their troop pull-out in September 1989 and the Khmer Rouge have not been able to produce evidence to UNTAC substantiating any claims to the contrary.

But the demand for fulfillment of the condition for power-sharing in the civil administration is seen to be valid. UNTAC reportedly has achieved no headway in the task of bringing about an atmosphere of political neutrality required by the peace agreements, by taking control of the ministries of foreign affairs, defence, finance, public security and information. Some sources say UNTAC has cited reasons of pragmatism for continuing to allow the ministries to function on the basis of the existing structures of the State of Cambodia (SOC), the mantle of the Phnom Penh government.

True or not, others see the failure to obtain what the peace agreement requires as a reflection of the slowness of the UN bureaucratic machine rather than want of goodwill on the part of UNTAC. An additional complaint of the guerrillas is unequal distribution of international aid, which has been corroborated by independent sources who believe the bulk has gone to areas administered by the SOC—as government for 13 years, in control of the main population centres of the country.

But this in turn was seen as the fault of the guerrillas' own refusal to allow access for UNTAC to enter their territory. Whatever the problems, the Khmer Rouge refusal to disarm and regroup is seen as tactical ploy that is not a fundamental threat to the peace process.

Already, reports from Tokyo suggest that Khmer Rouge President Khieu Samphan is not averse to a non-paper—circulated by UNTAC and the Permanent Five Members of the Security Council.

Containing suggestions for speeding up implementation of the peace accords.

But there is no comfort in the situation in the northern province of Kompong Thom where Phnom Penh are fighting for control of Route 12. The Khmer Rouge have shown that they will hold out for maximum gain and come down when it is expedient—as in the case of their change of mind over attendance of the Tokyo meeting on Cambodia's reconstruction and rehabilitation.

Guerrillas who defied international opinion, brought Cambodia to "year zero" and sacrificed hundreds of thousands of lives in order to set up a new agrarian society while in power from 1975 to 1978, do not worry about being isolated.

Holding out against phase two of the peace accords is another instance of defiance that puts the onus on UNTAC to assert its powers and work to obtain delivery of what has been agreed before 18 governments.

Economic sanctions seem out of place for the time being.

Army Official on Refugee Camp Incident

BK2806064692 Bangkok Radio Thailand Network in Thai 0530 GMT 28 Jun 92

[Statement to reporters by Lieutenant General Anuson Kritsanaserani, director of the Supreme Command Information Office; date and place not given—recorded]

[Text] Concerning repatriation of Cambodian refugees, inspection and reports of officials of various agencies and the United Nations noted that there was external intervention in the incident at Site Two aimed at inciting refugees there to stage a protest. The motive for the incident and the protest is to obstruct and delay the repatriation program, which would have an impact on the election in Cambodia. A delay in the election there will benefit certain groups but will affect Thailand and the UN High Commissioner for Refugees because the repatriation will be delayed. As to which groups stand to benefit, we cannot say specifically but a close scrutiny will show that there are certain groups which do not want the election to proceed on schedule.

Military Reports Lao Chemical Weapons Training

BK3006005392 Bangkok THE NATION in English 30 Jun 92 p A4

[By Yindi Loetcharoenchok]

[Text] The Thai military said yesterday that it had recently detected Laotian soldiers undergoing chemical weapons training in Central Laos during which one of them was killed.

The Laotian Embassy in Bangkok, when asked for comment and clarification, rejected the claim saying there was no truth in the report.

Speaking at the monthly military press conference, Lt Gen Anuson Kritsanaserani, armed forces spokesman, said the central Laotian Communist Party in Vientiane had recently sent two Cuban and two Vietnamese chemical weapons experts to train the troops of the 18th Laotian army of the 616 Nong Dong Unit, Ban Kading in Bolikhamsai Province.

He cited intelligence reports as saying that a Laotian soldier was killed during the exercise when he failed to don a gas mask in time.

An official at the Laotian Embassy here rejected the military report, saying that it was not true.

He also dismissed earlier reports of the Laotian use of toxic chemicals to suppress that country's resistance movements, mainly in the northwestern region.

"I have not heard of such reports. They are not true," he said.

Thai and western intelligence reports have attacked Vientiane on the widespread use of Agent Orange or Yellow Rain to suppress its dissidents, active mainly in the rugged mountainous terrain opposite Thailand's Loei and Nan provinces.

But there has been no substantive evidence to prove the allegations.

Anuson said Thailand would officially protest against the exercise, if it could gather more information and evidence.

The military, he said, is sending its personnel to verify the reports and that Thailand is well-prepared to cope with chemical warfare.

He added that the Thai armed forces had always kept their regional and local offices on the alert for the use of chemical weapons by neighbouring countries.

They also tried to send their personnel to verify reports in areas bordering Laos and Cambodia.

If any evidence was uncovered, then the Thai military would have to contact the user country for clarification and protest, he said.

He added that in the case of Laos, if the intelligence reports are confirmed, then the military will contact its Laotian counterpart to lodge a protest.

Anuson added that earlier this month, the Thai military detected the Laotian Army's deployment of its 16th Army battalion in strategic areas along the border with Thailand from Ban Kan Samsoua to Ban Houaydou in Saravane Province.

They spotted four border checkpoints set up by Laotian troops of the Bokeo Province Command on the common border to prevent and suppress any dissident movement in those areas.

Meanwhile, ASEAN foreign ministers have invited Vientiane to attend the ASEAN Ministerial Meeting at end of next month in Manila.

Laos is expected to sign the Treaty of Amity and Cooperation with the ASEAN nations during the July 24-29 meeting.

Army Chief Willing To Resign, Wants Deputy Post

*BK0107011992 Bangkok THE NATION in English
1 Jul 92 pp A1, A2*

[Text] The Army yesterday pledged to cooperate fully in the inquiries into the May violence and declared Army Commander in Chief Gen Itsaraphong Nunphakdi would accept responsibility for any mistakes which might have been made during the bloody operation.

Deputy Army Chief of Staff Lt Gen Yutthana Khamdi revealed this in light of reports that Itsaraphong and First Army Region Commander Lt Gen Chainarong Nunphakdi had indicated they were willing to resign to show responsibility.

However, one Army source said Itsaraphong also indicated he wanted to move to the post of deputy supreme commander if the investigations pointed to mistakes by him during the bloody crackdown on pro-democracy protesters.

Army sources also said Deputy Supreme Commander Gen Wimon Wongwanit, Deputy Army Commander in Chief Gen Wirot Saengsanit and Assistant Army Commander in Chief Gen Sanya Sipaen are candidates to succeed Itsaraphong.

Wimon's chances rest with public acceptance of his strictly professional posture and his seniority while Wirot, who is next in line to succeed Itsaraphong, might lose out because of his involvement in the May operations against pro-democracy protesters.

But a section of the force fears Wimon's ascension to the powerful post would lead to drastic changes in the Army, thus giving Sanya a chance despite the fact he is the least senior among the three candidates.

In a related development, former interior minister ACM [Air Chief Marshal] Anan Kalintha is also reportedly pushing for his reinstatement to the military establishment. "He is expected to take up a powerless post with a top rank equivalent to that of a field marshal," a source said.

Defence Minister Gen Banchop Bunnak would have the final say on the top military changes, which are expected after the inquiry into the May crackdown is wound up, probably in the middle of this month, the sources said.

At a meeting yesterday with top Army officers from the level of division commander to the highest ranks, Itsaraphong issued instructions to find ways to try to ensure such heavy loss of life and damage to property would not occur again.

Speaking at a news conference under the instructions of Itsaraphong, Lt Gen Yutthana also said the Army chief had made it clear the Army would follow the policy of Banchop, who wants the military to restructure its role to correspond with new regional and international trends of peace and development.

The Army, he quoted Itsaraphong as saying, would adjust the tasks of its personnel, placing emphasis on defence, development and natural disaster relief.

He also pledged the Army would assume a strictly neutral position in politics, particularly during the campaign for the Sept 13 general election.

"This is our promise and you can monitor our troops' deeds," Yutthana said when asked whether the announcement was credible.

Yutthana said the Army chief had laid down a policy of Army support for efforts to develop democracy.

The Army would also promote the public right and freedom to use Army-run radio stations as their media, he said. This media would also be used to make the public understand the Army's policy of staying out of politics and to encourage voters to exercise their own political judgement and vote, he said.

Asked how the Army would react if the government committee looking into the May crackdown recommend that the Army chief be removed from his post, Yutthana said the Army would accept it because the military could not evade responsibility for the operations to disperse the pro-democracy demonstrations during May 17-20.

"In principle, the Army cannot shun the responsibility. If there were mistakes made during the operations, then our top commander would be ready to take the responsibility. You can rest assured about this," Yutthana said.

The government and the Defence Ministry have set up two fact-finding committees to investigate the bloody suppression which led to Gen Suchinda Khrapayun resigning as premier.

The committees are expected to conclude their inquiries by the end of August or early September and submit their recommendations to the caretaker Cabinet of Prime Minister Anan Panyarachun.

Yutthana insisted the situation in May could have snowballed into a disaster if soldiers had failed to take "pre-emptive measures" to force an end to the protests. He was responding to criticism that the military was to blame for using excessive violence during the operations.

Yutthana also dismissed as groundless a remark by Muanchon Party leader Pol Capt Chaloeam Yubamrung, who claimed that bodies of demonstrators slain during the crackdown had been secretly taken away and buried on the Thai-Burmese border in Chanthaburi.

Maj Gen Suwinai Boribunrangkun had sent a letter to Chaloeam asking for details on the alleged mass grave and inviting the politician to verify the claim at the scene, Yutthana said.

The deputy Army chief also sought to discredit a report that about 500 Army officers had signed a petition calling for Itsaraphong's transfer.

"I doubt it because it is not easy for 500 officers to make such a move in our establishment," he said.

At the news conference, which was also attended by Army Secretary Maj Gen Chaturit Phomsakha Na Sakhon Nakhon and his deputy Col Thanomsak Rot-sawang, Yutthana said Itsaraphong had made it clear at yesterday's meeting the Army would comply with the policies of the defence minister and Supreme Commander ACM Kaset.

Yutthana said the Army would respond to the policy by seeking to strengthen the stability and security of the country, adjusting its forces to conform with new regional and international realities in which peace, development, economic growth, and improved standard of living are the major goals.

However, the deputy Army chief said details of the areas where the Army would reduce its role had yet to be studied and worked out.

Army Pledges Neutrality in General Election

*BK3006142192 Bangkok Radio Thailand Network
in Thai 1200 GMT 30 Jun 92*

[Text] In response to the government policy and in keeping with the present trend, the Army has made an adjustment to its operational line, with emphasis to be made on the role of soldiers in national development and service to the people. The soldiers will not interfere in politics. The above policy was outlined by the deputy chief of staff of the Army, Lieutenant General Yutthana Khamdi, who reported about the meeting between the Army chief and his unit commanders at the Army auditorium this afternoon.

[Begin Yutthana recording] With the guidance of the policy given by the defense minister and supreme commander, the Army will pursue the following objectives:

1. It will support national development projects by using all resources available in order to solve immediate problems for the people, such as problems of poverty, drought, and other economic problems, as well as problems from natural disasters.
2. It will, on a broad scale and continuous basis, launch or participate in activities which serve an interest to the general public, such as activities or campaigns in honor of the monarchy, religion, campaigns for education, and activities related to environment protection, and other forms of activities which benefit the people.
3. It will do its best to encourage military participation in activities launched by the private sector, general public, and youths in order to strengthen relations and forge good understanding between the people and the soldiers.
4. It will cooperate with the fact-finding committee investigating the event which took place on 17-20 May 1992, and find measures to prevent a recurrence of such losses.

5. It will support campaigns and activities aimed at building and developing the democratic system of administration with the king as head of state.

6. It will respond to the policy of the Defense Ministry and the Supreme Command concerning promotion of the right to information and the use of mass media in the public relations service available at the army, in order to enhance knowledge and understanding among the broad mass of the people. It will respond to the policy of noninvolvement in politics by the military, and of remaining strictly neutral in the general election. Meanwhile, it will make contributions to campaigns to encourage people to exercise their voting rights with a view to achieving a clean and fair election. [end recording]

Premier Rules Out Military Role in Elections

*BK0107013192 Bangkok THE NATION in English
1 Jul 92 p A1*

[Text] Prime Minister Anan Panyarachun said yesterday he would decide the future of the National Peacekeeping Force, blamed for the May bloodbath, after the Defence Ministry makes a recommendation on the matter.

The House of Representatives on Monday passed in three straight readings a bill seeking to dissolve the National Peacekeeping Force. But it was only a symbolic gesture because yesterday's dissolution of the House made it impossible for the bill to be passed by the Senate. "I will wait for a recommendation from the Defence Ministry before making a decision," Anan said.

There have been calls for the government to issue a royal decree to abolish the National Peacekeeping Force. It is believed the passage of the bill by the House can provide the required justification for such a decree.

Anan also said the military should not play a big role in the Sept 13 general election. Asked if the government would use military media in the forthcoming election, Anan said: "Soldiers should not play a role in (organizing) elections. Soldiers are civil servants who should abide by the law by going to vote."

Protesters of Land Resettlement Snub Anan's Envoy

*BK0107042792 Bangkok THE NATION in English
1 Jul 92 p A2*

[Text] Nakhon Ratchasima—The continuing protest against the Kho Cho Ko resettlement programme widened yesterday when protesters turned away a representative of the premier who was sent to talk to them and disrupted traffic on an inter-provincial highway.

The protesters said they would take drastic action to press for an end to the controversial programme if the government did not decide by today to abolish it. They would give details later of what they planned to do.

The group of more than 1,500 northeastern villagers, backed by conservationist groups, booted away Interior

Ministry Deputy Permanent Secretary Sawai Phrammani, sent as a representative of Prime Minister Anan Panyarachun to negotiate with them at a rally site in Nakhon Ratchasima's Pak Chong district. The protesters said they wanted to meet only the premier.

They also blocked Friendship Road, the major avenue leading to the northeastern region, for about 15 minutes at the height of the protest yesterday afternoon.

The protesters, who are marching to Bangkok to stage a protest against the Kho Cho Ko which was suspended by the Cabinet last Tuesday, have stopped overnight in Pak Chong.

They said they wanted a definite decision by the government to end the resettlement scheme, which relocates northeastern villagers from protected forest areas to degraded forest land, rather than consideration to reorient the programme in some areas where it has been partially carried out, as the Cabinet has decided.

Later, during two hours of discussion, representatives of 16 non-governmental development organizations backing the protest submitted a letter to Sawai at the hotel where he and his entourage were staying asking the government to end the Kho Cho Ko and allow those who have been moved from protected forest areas and not yet been resettled to return to their homes.

The group also called for the release of 17 people who were arrested last month when they and about 300 others went back to Nong Yai village in Nakhon Ratchasima's Soeng Sang District, from where they had been evacuated under the programme.

Protest leaders yesterday said 1,000 to 2,000 more villagers were expected to join the rally today. Agriculture Minister Khosit Panpiamrat yesterday said he would propose to the government committee formed to review the Kho Cho Ko that the programme be replaced with a development plan.

Paper Sees Hope for Military in Unrest Aftermath

*BK0107040392 Bangkok BANGKOK POST in English
1 Jul 92 p 4*

[Editorial: "Straight, Sensible Talk Kindles Hope"]

[Text] Encouraging signs have recently emerged from the military establishment after the trauma of the May 17-20 bloodshed which sorely tested the confidence of the Thai populace in the armed forces. The opinions voiced separately by Deputy Supreme Commander Gen Wimon Wongwanit, Assistant Army Commander-in-Chief Gen Sanya Sipen and Lop Buri-based Special Warfare commander Lt-Gen Sorayut Chulanon that the military should distance itself from politics constitute a voice of conscience and hope from the silent majority of military servicemen who, because of regulations and strict discipline, are barred from publicly expressing their views on the actions ordered by a handful of commanders against unarmed and peaceful civilians.

To quote from Gen Sanya: "All soldiers, in fact, don't want to get involved in politics. Politics is the business of politicians and soldiers should do their duty as soldiers". Lt-Gen Sorayut was quoted as having said: "I, for one, am ready to take responsibility for the image of the military and accept any consequences".

No less heartening is the statement from the Supreme Command spokesman Lt-Gen Anuson Kritsanaserani of the military's amenability to the calls for restructuring although it is unclear how far the military is ready and willing for structural changes. But like it or not, changes are inevitable if the military is to restore the trust and confidence of the Thai people.

Depoliticisation and restructuring of the military which are being mulled by the government of Prime Minister Anan Panyarachun are not an easy task given the deeply-entrenched mindset of the military which sees itself as not only the defender of the country against foreign aggression, but also as a saviour of the country like a knight on a white horse who comes to the rescue at the moment when he feels—often wrongly—that the national interests are gravely at stake. It is such a mentality that has led several misguided, self-interested and ambitious army officers to justify their active political role, even to the extent of toppling a legitimate government.

To depoliticise the Armed Forces, it is necessary that the mindset of the military, which has altered little over the passage of time, undergo a radical change of thought processes. Naturally, this is easier said than done. It is also just as essential that our future generation of military officers should have the right mindset. And this can be done through some meaningful re-education at the prestigious Chulalongkornrajavidyalaya Royal Military Academy where all this country's military officers graduated from.

Some lecturers who used to teach at the Academy reportedly said they had asked several cadets there about what they aspired to be in the future. Some cadets reportedly said they wanted to be prime minister. Their straightforward and candid replies might sound familiar among their peers and teachers at the Academy. To them, there may be nothing wrong in entertaining such ambition given the various examples of several of their seniors who made it to the pinnacle of political career through undemocratic means. The latest example is that of Gen Suchinda Kraprayun.

What is disturbing is, obviously, not the reply of those cadets, but their mentality which—if nurtured, schooled and promoted—could have a lasting effect on the cadets and produce the kind of military officers who believe they have the "right" to intervene politically whenever they feel like it, who believe they are more patriotic than their fellow countrymen and who regard military professionalism secondary to their political exploits.

Despite the wrongs committed by a few top-echelon officers, the military remains a vital institution for the

development of this country. But it will first have to undergo a cleansing process to regain its lost credibility and public trust.

BPP Chief Blames Army Chief for Violence

BK0107014792 Bangkok BANGKOK POST in English
1 Jul 92 p 1

[Text] Border Patrol Police [BPP] Commissioner Pol Lt-Gen Chatchai Chaiarun yesterday testified that Army Commander-in-Chief Gen Itsaraphong Nunphakdi and First Infantry Division Commander Maj-Gen Thitiphong Jennuwat had ordered his BPP units to arm themselves and crush pro-democracy demonstrators during the May 17-20 crackdown.

Pol Lt-Gen Chatchai told the House committee investigating the May crackdown that his policemen had received orders from Gen Itsaraphong, who is commander of the Capital Security Command, and Maj-Gen Thitiphong, while he himself had not issued orders during the incident.

The army chief and the First Infantry Division commander took over the line of command after a state of emergency had been declared, the BPP commissioner testified.

Before the state of emergency was announced, the then deputy interior minister, Pol Lt-Gen Wirot Phao-in, had given orders to Border Patrol Police and Metropolitan Police, Pol Lt-Gen Chatchai said.

"At the height of the crisis, the First Infantry Division commander ordered the Border Patrol Police at Mak-khawan Bridge to arm themselves. But first Border Patrol Police Region commander Pol Maj Gen Sarot Panya reported back that the Border Patrol Police did not carry any weapons other than batons," Pol Lt-Gen Chatchai said.

Maj-Gen Thitiphong is a Class 11 army classmate of First Army Region Commander Lt-Gen Chainarong Nunphakdi, who is related to Gen Itsaraphong.

Border Patrol policemen assigned to Ratchadamnoen Avenue wore combat fatigues, which made them look like army soldiers, and also put on white helmets and orange-coloured scarfs, but according to Pol Lt-Gen Chatchai, the BPP officers did not carry M16 assault rifles as the soldiers did.

The Border Patrol Police commissioner said every BPP officer was saddened by the incident.

"Though we have been through many battles we only fought insurgents, we never fought the people," Pol Lt-Gen Chatchai said.

The Border Patrol Police commissioner also denied that his men carried any corpses around during the May crackdown.

Pol Lt-Gen Chatchai said a picture of four civilians carried away from the avenue in a Border Patrol Police truck had been "blurred" to make it look like they were dead, but, he testified, they were in fact alive.

The picture presented to the House committee had been made "obscure" to blame the Border Patrol Police for carrying away corpses of those killed by government soldiers during the bloody crackdown, Pol Lt-Gen Chatchai said.

The Border Patrol Police commissioner said some air force officers had asked a group of Border Patrol policemen assigned to the demonstration site during May 17 and 20 to take five men to the local police station for questioning on charges of arson and so the police put the five aboard their pickup trucks.

However, the Border Patrol Police commissioner testified to the House committee that his policemen sent the five men, who he said had been beaten up by soldiers and hit with the butts of rifles, to the Royal Hotel where doctors and nurses were taking care of the wounded.

The Border Patrol policemen picked up the five men from Kok Wua intersection which meets Ratchadamnoen Avenue at about 07.00 a.m. on May 19.

Police sources said Pol Lt-Gen Wirot, a Class 5 army classmate of former prime minister Suchinda Khraprayun and Gen Itsarapong, had given over the Metropolitan Police radio using the code-name MAW THAW SONG (meaning the Number Two of the Interior Ministry).

According to the sources, MAW THAW SONG ordered the then acting Metropolitan Police commissioner, Pol Maj-Gen Narong Rienthong, to meet with him at the First Army Region headquarters on Ratchadamnoen Nok Avenue at 05.00 a.m. on May 18.

The sources alleged that Pol Lt Gen Wirot also flashed orders for riot police to assemble at the headquarters of the Capital Security Command which is in the compound of the First Army Region headquarters and ordered policemen who had withdrawn from the torched Nang loeng police station to assemble elsewhere.

Code-named Naw Song, Pol Maj Gen Narong, now promoted to police lieutenant-general, allegedly ordered six "headhunter" teams of policemen to track down motorcycle gangs vandalising public and private property in the city.

Vietnam

Third Party Plenum Communique Broadcast

BK3006135792 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Jun 92

[Text] of communique on the seventh party Central Committee's third plenum held in Hanoi from 18-29 June 1992]

[Text] The seventh party Central Committee's third plenum was held in Hanoi from 18-29 June 1992.

Comrade General Secretary Do Muoi delivered an important report on the current situation and our tasks.

With regard to the situation at home and abroad, the plenum observed that over the past one year since the seventh national party congress, our country's revolution has continued to develop. The political situation has been stable. The single-mindedness between the party and the people has been strengthened. Far from experiencing upheaval, the economic situation has, in certain aspects, developed and has produced new sources of strength. The world situation has developed in a complex fashion and there have been far-reaching changes. The country is facing new advantages and new challenges.

The party should adopt correct policies aimed at maintaining political stability, continuing to step up the renovation undertaking, achieving economic development, caring for the people's lives, consolidating national defense and security, expanding foreign relations and improving their efficiency, renovating and rectifying the party, promoting closer relations between the party and the people, and successfully implementing the resolution of the seventh party congress.

The plenum held that foreign relations hold a very important position in the cause of building socialism and defending the fatherland. The overall foreign relations tasks to be carried out in the periods ahead are to maintain peace, broaden relations of friendship and cooperation, and create favorable international conditions for the cause of socialist construction and national defense while positively contributing to the world people's struggle for peace, national independence, democracy, and social progress.

The seventh party congress pointed out: With our open foreign policy, we declare that Vietnam wants to befriend all nations in the world community in the struggle for peace, independence, and development.

Broadening foreign economic relations should aim at serving the strategy for economic development, gradually renovating the production structure, stepping up industrialization, and creating conditions for our country's rapid economic growth.

We advocate broadening foreign relations in various fields—political, economic, scientific, technological, cultural, educational, and public health—at the levels of state, party, mass organizations, and nongovernmental organizations on the principles of respect for independence, sovereignty, territorial integrity, equality, and mutual benefits in a bid to protect and develop our economy, natural resources, environment, and national security, and preserve and develop those fine traditions and identity of our folk culture.

Consolidating national defense and maintaining national security are the common duty of our entire

party, people, and army with the armed forces—including the People's Army and the People's Public Security Force—being the backbone.

We should develop to the fullest our patriotism and our revolutionary traditions, heighten our vigilance, resolutely fight back those peaceful evolution schemes and tricks of hostile forces and their sabotage activities, firmly build the all-people national defense system and popular security system, build the armed forces into clean and steadfast ones, firmly maintain political stability, and defend national security, independence, sovereignty, and territorial integrity, and satisfactorily care for the material and spiritual life of the armed forces.

The party Central Committee's third plenum held that in view of the current international and domestic situations, the need to renovate and rectify the party has emerged as one of the most important tasks of decisive importance for the entire revolutionary undertaking. Renovating and rectifying the party is aimed at improving the leadership skills of the party and its militancy, ensuring the successful implementation of various political tasks set forth by the seventh party congress while making preparations for the eighth party congress. Renovating and rectifying the party should be carried out on the basis of fully understanding and creatively applying Marxism-Leninism and Ho Chi Minh's thought. The policy should be followed persistently to carry out renovation along the socialist direction, enhancing the party's leadership role, correctly complying with those organizational principles for party activities, and consolidating the close relations between the party and the people.

The renovation and rectification of the party should be linked with the renovation of various aspects of the social life, first of all with the process of implementing and perfecting various economic policies and the economic management mechanism, with the strengthening of the political system, with the mass movement for action, and with efforts to inspire and develop the people's creativity. We should carry out this task from top to bottom and from party leaders down to party members in a positive and resolute fashion with appropriate steps and work methods. We should satisfactorily tackle those matters with a macro magnitude along with efforts to consolidate our infrastructure.

Regarding those current policies and approaches for renovating and rectifying the party, the plenum emphatically pointed out the following major, important points:

1. Intensify efforts to build the party politically and ideologically: We should improve the political acumen of the party and its intellectual level and leadership skills, continue to substantiate and develop various concepts and policy lines set forth in the seventh party congress, and define in a gradual and more clear manner the pattern and the course of advance toward socialism in Vietnam. We should also build confidence among party cadres and members and a determination to persist

in the revolutionary ideal and in the goal and the course of advance toward socialism.

Building the revolutionary ethic means building a clean lifestyle for party cadres and members—in view of the current market economy and the expansion of international exchanges—in a bid to oppose individualism, pragmatism, and a lavish and debauched lifestyle. We should consolidate the unity and unanimity bloc within the party, enhance the relationship between the party and the people, improve the sense of revolutionary awareness, and oppose peaceful evolution schemes and sabotage efforts of hostile forces.

2. Rectify the party organizationally: We should strictly comply with those organizational principles for party activities, especially the principles of democratic centralism, avert and overcome the ills of disorganization, indiscipline, arbitrariness, and authoritarianism.

We should rectify the organizational system of the party apparatus at various levels, continue to strengthen and perfect various party committee echelons, consolidate various party departments and improve them qualitatively, strengthen those party organizations in state organs and mass organizations and improve them qualitatively. We should rectify the party infrastructure organizationally, trying to ensure that grass-roots party establishments can correctly perform their functions as a comprehensive political leadership nucleus at the grass roots, as a linkage between the party and the people, and as a unit directly engaged in the fight to introduce the party policies and lines and the state law into life.

We should also improve the qualities of party members up to the demands of their tasks, making intensified efforts to educate and train party members, remove those disqualified party members from the party, care for party development, and replenish the party with young members.

3. Effect an important change for the better in cadre work: The plenum held that the cadre issue remains a key task deciding the entire revolutionary undertaking. The entire party, especially the party Central Committee, the Political Bureau, the Secretariat, and party committee echelons, should devote much energy and efforts to this task of strategic importance. We should unfailingly build a contingent of qualified and competent cadres up to the level required by the current great and complex tasks. This contingent of cadres is made up of party and state leading cadres, those cadres administering the state in the fields of domestic and foreign relations, those cadres engaged in production and business management, those cadres engaged in mass motivation, staff cadres, and experts in various fields of activity.

We should go ahead with rearranging, readjusting, and giving further training to our existing contingent of cadres, preparing replacement cadres, and defining the duties for cadres in a rational fashion on the basis of

guaranteeing the principle of the party's unified leadership and control over cadres while developing the responsibility of various organizations in the political system, renovating the benefit policy for cadres, and overcoming the ills of corruption and other negative phenomena.

4. Renovate the party's leadership methods and define the relationship between the party and the state as well as between the party and other organizations in the political system: The renovation of the party's leadership methods is aimed at enhancing the party's leadership role and improving the quality and efficiency of the party leadership in all aspects of social life while vigorously developing the role and efficiency of the state and of mass organizations, and bringing into play the integrated strength of the entire political system.

The party Central Committee's third plenum examined the party's organizational and mass motivation activities. The plenum held that enhancing the close relations between the party and the people is of great importance for ensuring the steadfastness of the regime.

At the plenum, Comrade Nguyen Duc Binh, member of the Political Bureau, was assigned to join the party Central Committee Secretariat. The plenum also elected Comrade Le Kha Phieu, member of the party Central Committee, to join the party Central Committee Secretariat.

The party Central Committee's third plenum called on the entire party, people, and army to remain single-minded, strengthen their unity, uphold their sense of independence and self-governing, and a determination to remain self-reliant, and to struggle to successfully implement the resolution of the Seventh Party Congress and other resolutions of the Seventh Party Central Committee's Second and Third Plenum.

Vo Van Kiet Meets Brunei Vice Foreign Minister

*BK0107064192 Hanoi VNA in English
0634 GMT 1 Jul 92*

[Text] Hanoi VNA June 30—Chairman of the Council of Ministers Vo Van Kiet received here today Mr. Dato Haji Awang Mohd Ali, vice foreign minister of Brunei who is visiting Vietnam.

Present at the reception was Vice Foreign Minister Vu Khoan.

Vice Foreign Minister Dato Haji Awang Mohd Ali told the Vietnamese premier that his visit is to implement the agreements between the two countries reached during Chairman Vo Van Kiet's visit to Brunei early this year and study possibilities of cooperation with Vietnam in various fields. He expressed his wish that these agreements would be implemented with good results and new agreements on maritime, post, telecommunication and aviation cooperation could be signed during his current

visit. He also reaffirmed Brunei's continued support for Vietnam's accession to the Bali Treaty of Amity and Cooperation.

For his part, Chairman Vo Van Kiet welcomed Mr. Dato Haji Awang Mohd Ali's and his party's first visit to Vietnam since diplomatic ties were established between the two countries. He expressed the wish that following this visit, many businessmen of Brunei will come to invest in and cooperated with Vietnam. He stressed that Vietnam always treasures its relations with Brunei in the spirit of mutual understanding and trust for the good of the two peoples and for the sake of peace, friendship, stability, cooperation and development in the region.

Tourist Cooperation Accord Reached With PRC

*BK3006165292 Hanoi VNA in English
1601 GMT 30 Jun 92*

[Text] Hanoi VNA June 30—A trade union delegation of Vietnam led by Nguyen Minh Hoa, director general of the Tourist Company of the Vietnam Trade Unions Federation, has visited China since June 24.

The delegation held talks with Fan Wei-Liang, director general, and other leading officials of the Tourist Corporation of the All-China Federation of Trade Unions.

The two sides signed an agreement on tourist cooperation between the trade unions of the two countries.

The delegation also called on the tourist companies of Shanghai, Guangtung and Guangxi.

Russia's Makharadze Urges Friendship, Cooperation

*BK3006170692 Hanoi VNA in English
1555 GMT 30 Jun 92*

[Text] Hanoi VNA June 30—Russian Vice Premier V.A. Makharadze has expressed his country's desire to consolidate and develop its friendship and cooperation with Vietnam, especially in economy and trade.

In his reception of Vietnamese Ambassador Ho Huan Nghiem in Moscow Monday, Mr Makharadze who is also chairman of the Russian section of the Russian-Vietnamese Commission for Economic, Trade and Scientific Cooperation said Vietnam is a stable trade partner of Russia; the two countries, he said, can expand cooperation in various forms, particularly direct cooperation between their production and trading establishments, localities, and trade between Vietnam and Far Eastern region of Russia.

Host and guest also discussed bilateral cooperation in economy, trade, science and technology.

Further on National Assembly Candidate List

*BK3006163792 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 30 Jun 92*

[List of candidates running for election as deputies to the Ninth National Assembly in the provinces of Dong Thap, An Giang, Tien Giang, Ben Tre, Vinh Long, and Tra Vinh]

[Text] Dong Thap Province

The districts of Chau Thanh, Thanh Hung, and Lai Vung and Sa Dec City will form the first electoral unit and elect three deputies from among the following candidates:

1. Le Minh Chau, chairman of the provincial people's committee.
2. Phan Thien Thu Ha, a pedagogic college graduate and principal of the Lai Vung-1 High School.
3. Nguyen Van Hai, director of the provincial public security office.
4. Phan Huu Lap, member of the Vietnam Fatherland Front Central Committee and chairman of the provincial fatherland front committee.
5. Le Trung Son, a medical school graduate, director of the provincial public health office, and deputy to the Eighth National Assembly.

The districts of Tan Hong, Hong Ngu, Tam Nong, and Thanh Binh will form the second electoral unit and elect two deputies from among the following candidates:

1. Nguyen Thi Be Nam, agronomist, head of the Cao Lanh vegetation protection station.
2. Phan Minh Tanh, head of the party Central Committee Mass Motivation Department and deputy to the Eighth National Assembly.
3. Phan Thi Tien, a pedagogic college graduate and vice chairperson of the Thanh Binh Provincial People's Committee.

The districts of Cao Lanh and Thap Muoi and Cao Lanh City will form the third electoral unit and elect two deputies from among the following candidates:

1. Tran An Binh, a civil engineer, deputy director of the provincial communications and transportation office.
2. Nguyen Trung Cang, a doctoral candidate in economics, head of the provincial scientific and technical section.
3. Nguyen Thanh Phong, a graduate from the National College of Economics, chairman of the provincial people's committee, and deputy to the Eighth National Assembly.

An Giang Province

The districts of Chau Thanh, Chau Phu, and Thoai Son and Long Xuyen City will form the first electoral unit and elect three deputies from among the following candidates:

1. Vo Hung Dung, a pedagogic college graduate, deputy director of the provincial educational and training office.
2. Le Phu Hoi, vice chairman of the provincial people's committee and deputy to the Eighth National Assembly.
3. Dinh Thi Kim Oanh, a graduate from the College of Economics and Planning, chairperson of the Long Xuyen City People's Council.
4. Nguyen Ngoc Tran, holder of Ph.D. degree in mechanical mathematics, professor, and deputy head of the State Science Commission.

The districts of Cho Moi, Phu Tan, and Tan Chau will form the second electoral unit and elect three deputies from among the following candidates:

1. Dinh Cong Doan also known as Ba Doan, head of the provincial mass motivation section and chairman of the provincial fatherland front committee.
2. Nguyen Dinh Hong also known as Nguyen Dinh Dau, colonel, deputy commander of the provincial military command.
3. Nguyen Van Ton, medical doctor, chairman of the provincial Red Cross Society.
4. Le Minh Tung, agronomist, director of the provincial Agricultural Office, and deputy to the Eighth National Assembly.

The districts of Tinh Bien, Tri Ton, and An Phu and Chau Doc City will form the third electoral unit and elect two deputies from among the following candidates:

1. Nguyen Van Hom, secretary of the provincial party committee.
2. Nguyen Thi Lien, chairperson of the provincial women's union.
3. Chau Kim Seng of the Khmer ethnic group, chairman of the Tri Ton District People's Council, and deputy to the Eighth National Assembly.

Tien Giang Province

The districts of Cai Be and Cai Lay will form the first electoral Unit and elect two deputies from among the following candidates:

1. Pham Van Khanh, a pedagogic college graduate, vice chairman of the Cai Be District People's Council.
2. Nguyen Tien Luc, a pedagogic college graduate, head of the provincial planning committee, and deputy to the Eighth National Assembly.
3. Le Thi Thanh Mai, chairperson of the provincial women's union and deputy to the Eighth National Assembly.

Chau Thanh district and My Tho City will form the second electoral unit and elect two deputies from among the following candidates:

1. Nguyen Van Chinh also known as Chin Can, chairman of the Vietnam Peasants Association Central Committee and deputy to the Eighth National Assembly.
2. Phan Ngoc Ha, a pedagogic college graduate and principal of the Nguyen Dinh Chieu High School.

3. Nguyen Thi Hoai Thu, head of the provincial mass motivation section, vice chairperson of the provincial Fatherland Front committee, and deputy to the Eighth National Assembly.

The districts of Cho Gao, Go Cong Tay, and Go Cong Dong, and Go Cong City will form the third electoral unit and elect three deputies from among the following candidates:

1. Nguyen Van Khang, agronomist, deputy director of the provincial agro-forestry-fishery office.
2. Phan Van Diep, director of the provincial Water Conservancy Office.
3. Truong Cong Pho, colonel, director of the provincial public security office and deputy to the Eighth National Assembly.
4. Doan Van Tam, architect, director of the provincial construction office.
5. Phan Minh Thanh, chairman of the provincial people's committee and deputy to the Eighth National Assembly.

Ben Tre Province

The districts of Binh Dai and Chau Thanh and Ben Tre City will form the first electoral unit and elect two deputies from among the following candidates:

1. Nguyen Van Binh, agronomist, director of the provincial crop cultivation service center.
2. Tran Van Con, director of the provincial union of aquatic products exporting enterprises.
3. Ca Le Thuan, general secretary of the Vietnam Composers Association and deputy to the Eighth National Assembly.

The districts of Giong Trom and Ba Tri will form the second electoral unit and elect two deputies from among the following candidates:

1. Doan Viet Hong, architect, head of the provincial construction office's urban planning section.
2. Nguyen Thi Tuyet Suong also known as Phuong Trang, vice chairperson of the provincial committee for child protection and childcare.
3. Bui Quang Ton also known as Tran Dong Phong, chairman of the provincial fatherland front committee.

The districts of Thanh Phu, Mo Cay and Cho Lach will form the third electoral unit and elect two deputies from among the following candidates:

1. Le Thi Thanh Liem also known as Le Tien, member of the provincial party executive committee, and deputy to the Eighth National Assembly.
2. Phan Van Bua also known as Phan Phong Vu, medical doctor and deputy director of the provincial public health office.
3. Tran Van Dau, chairman of the provincial people's committee.

Vinh Long Province

The districts of Binh Minh, Long Ho, and Bang Thip, and Vinh Long City will form the first electoral unit and elect three deputies from among the following candidates:

1. Lam Thi Yen Chi of the Khmer ethnic group, medical doctor, and deputy director of the provincial polyclinic.
2. Duong Tan De, holder of a M.A. in literature, and principal of the Luu Van Liet High School.
3. Le Nam Hai, electric engineer, deputy director of the provincial industrial office, and director of the provincial machinery plant.
4. Ho Minh Man, deputy secretary of the provincial party committee and deputy to the Eighth National Assembly.
5. Tang Ty, deputy secretary of the provincial Ho Chi Minh Communist Youth Union.

The districts of Tam Dinh, Tra On, and Vung Liem will form the second electoral unit and elect three deputies from among the following candidates:

1. Duong Xuan An, vice president of the Confederation of Vietnamese Workers and vice chairman of the Eighth National Assembly's Economic, Planning, and Budget Committee.
2. Nguyen Thi Gia also known as Kim Lien, chairperson of the Vung Liem District People's Committee.
3. Chau Hong Linh of the Khmer ethnic group, a standing member of the provincial peasants association.
4. Phan Tan Tai, head of the provincial party committee's inspection commission.
5. Tran Huu Tin, agronomist, director of the provincial agricultural office.

Tra Vinh Province

The districts of Can Long, Tieu Can, and Cau Ke and Tra Vinh City will form the first electoral unit and elect three deputies from among the following candidates:

1. Tran Thanh Hong, chief of the Cau Ke District Mass Motivation Section.
2. Bui Quang Huy, a linguistics college graduate, secretary of the provincial party committee.
3. Thach On of the Khmer ethnic group, member of the Cau Ke District fatherland front committee, and vice chairman of the provincial Mekong society.
4. Le Thi Tot, chairperson of the provincial women's union.

The districts of Cau Ngang, Duyen Hai, Tra Cu, and Chau Thanh will form the second electoral unit and elect three deputies from among the following candidates:

1. Tran Hoang Kim, head of the provincial planning and statistics commission, and deputy to the Eighth National Assembly.
2. Bui Cong Ninh, a water conservancy college graduate, director of the provincial water conservancy office.

3. Lam Phu of the Khmer ethnic group, deputy head of the party Central Committee's Nationalities Sub-Department, and deputy to the Eighth National Assembly.

4. (U Te) of the Khmer ethnic group, an agricultural college graduate, cadre of the agricultural promotion center of the provincial agricultural office.

Cook Islands

Premier—Pacific Forum To Link With ASEAN

BK3006115292 Hong Kong AFP in English 0922 GMT 30 Jun 92

[Text] Avarua, June 29 (AFP)—The South Pacific Forum should seek to establish some kind of formal link with the Association of Southeast Asian Nations (ASEAN), Prime Minister Sir Geoffrey Henry said Monday.

He said he had raised the issue with the leaders of Indonesia and Malaysia on recent visits there.

ASEAN is made up of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The forum, which is due to hold its annual summit next week in the Solomons, is made up of Australia, Cooks, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Papua New Guinea, Solomons, Tonga, Tuvalu, Vanuatu and Western Samoa.

"The intention is hopefully in the future establish a loose arrangement between ASEAN and forum leaders by way of an occasional meeting perhaps once every three years or thereabouts," he said in an interview.

He said the two should meet because of possible development, investment and trade relations.

"I don't believe that we in the Pacific can afford to ignore what is happening in Asia—right now the amount of surplus money available in Asia is absolutely mind boggling."

He said the forum should attract some of the money and "latch on to development in Asia".

Henry said he expected the forum to be more environmentally dominated than in the past.

A key issue, as it has in every forum, would be French nuclear testing, even though Paris has suspended its programme at the nuclear test site at Mururoa Atoll, east of here.

"If it does come up it will probably be in the form of a conclusion by the forum to send a letter to the president of France congratulating him on his stance and urging him to convert the suspension into a permanent arrangement," he said.

Papua New Guinea

Premier Namaliu Struggles To Hold Parliament Seat

BK2806094692 Hong Kong AFP in English 0932 GMT 28 Jun 92

[Text] Port Moresby, June 28 (AFP)—Papua New Guinea Prime Minister Rabble Namaliu held his parliamentary seat

by a wafer-thin majority after a nail-biting two days of painfully slow vote-counting ended here Sunday.

At one stage, Namaliu, leader of the Pangu Party, was more than 1,000 votes behind with about 90 percent of the votes counted and election analysts giving him little hope.

But his prime ministership is still in doubt, and early counting in the country's fourth general election show that up to five of his ministerial colleagues and half the sitting MP's could lose their seats.

Namaliu's seat was one of only six to be declared after two full days of counting for Papua New Guinea's 109-seat parliament.

Among those in doubt Sunday were Deputy Prime Minister Akoka Doi of the People's Action Party (the Pangu Party's coalition partner), Defense Minister Benais Sabumei and Interior Minister Karl Stack.

Officials said it was too early to tell whether the opposition parties or independents had gained much of the anti-government vote.

Three other former prime ministers—Sir Michael Somare, Foreign Minister (Pangu), opposition leader Paias Wingti of the People's Democratic Movement and Sir Julius Chan of the People's Progress Party (PPP)—were expected to be re-elected.

Former police commissioner Paul Tohian, sacked from the police force in 1990 after being charged with attempting to lead a drunken coup attempt against the government, was considered likely to win a seat for the PPP.

For the previous day or two Namaliu appeared to be headed for defeat in the Kokopo electorate of East New Britain by opposition candidate Oscar Tammur, the man he defeated 10 years ago.

But as the last ballot boxes came in from the Duke of York Islands, Namaliu's fortunes dramatically improved and he finally won by 358 votes.

"I didn't think it would be as close as it turned out but I knew it would be a tough fight," Namaliu told reporters.

"My advisers were certainly worried that we were getting dangerously close to losing the election, but I knew as soon as voting moved to ballots from the Duke of Yorks that I would pick up votes and pick up very quickly.

"When I was behind and the gap was hovering at about 1,000 it created a lot of anxiety, obviously, but I assured them to just hang on in there and we'll pull through."

He said he expected demands for a recount by Tammur, an independent who supports Chan's PPP.

Final composition of the new parliament is expected to be known around the end of this week, although the new government may not be known until after July 22 when new coalition agreements are tested.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.